United States Court of Appeals

for the Second Circuit

EXHIBITS

ONLY COPY AVAILABLE

ORIGINAL

74-2340

United States Court of Appeals

For the Second Circuit.

ALLEN & COMPANY,
Plaintiff-Appellant,

against

OCCIDENTAL PETROLEUM CORPORATION,
Defendant-Appellee.

EXHIBIT VOLUME.
Pages 1751a-2229a.

JOHN VANVOORHIS,
SAMUEL N. GREENSPOON,
POLLACK & SINGER,
Attorneys for Plaintiff-Appellant,
c/o EATON, VANWINKLE & GREENSPOON,
600 Third Avenue,
New York, N. Y. 10016
867-0606.

PHILLIPS, NIZER, BENJAMIN, KRIM & BALLON,
Attorneys for Defendant-Appellee,
40 West 57th Street,
New York, N. Y. 10019
977-9700.

UNITED STATES COURT OF APPEALS
FILED
FEB 14 1975
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

THE REPORTER COMPANY, INC., New York, N. Y. 10007—212 732-6978—1975

(5310)

ONLY COPY AVAILABLE

ONLY COPY AVAILABLE

INDEX TO EXHIBITS.

(Plaintiff)

Number	Description	Appendix Page
Plaintiff's Exhibit 3	Letter from defendant to Lawler dated Sept. 23, 1963	1751a
Plaintiff's Exhibit 21	Letter from defendant to Lawler dated Dec. 16, 1963	1752a
Plaintiff's Exhibit 22	Letter from Lawler to defendant dated Feb. 22, 1964	1754a
Plaintiff's Exhibit 23	Letter defendant to Lawler dated February 26, 1964	1756a
Plaintiff's Exhibit 25	Letter from Brenner to Ogbi dated August 17,1964	1758a
Plaintiff's Exhibit 26	Letter Ogbi to Brenner dated August 19, 1964	1759a
Plaintiff's Exhibit 27	Letter Galic to Allen dated August 28, 1964	1760a
Plaintiff's Exhibit 28	Letter from Galic to Allen dated August 29, 1964 and enclosures	1761a
Plaintiff's Exhibit 31	Letter from defendant to plaintiff dated Sept. 5, 1964	1768a
Plaintiff's Exhibit 32	Letter from Galic to Allen dated Sept. 7, 1964	1769a
Plaintiff's Exhibit 33	Letter from plaintiff to defendant dated Sept. 8, 1964 and enclosure	1770a
Plaintiff's Exhibit 36	Agreement dated Sept. 18, 1964 defendant and Galic	1773a

ONLY COPY AVAILABLE

Number	Description	Appendix Page
Plaintiff's Exhibit 37	Agreement defendant and deRovin dated Sept, 18, 1964	1774a
Plaintiff's Exhibit 38	Agreement defendant and Ogbi dated Sept. 18, 1964	1775a
Plaintiff's Exhibit 39	Note from Ogbi to defendant undated	1776a
Plaintiff's Exhibit 40	Check from Hammer to Galic dated Sept.18, 1964	1778a
Plaintiff's Exhibit 41	Bill of Exchange from Ogbi to Galic undated	1779a
Plaintiff's Exhibit 42	Check from Galic to Ogbi dated Sept. 19,	1780a
Plaintiff's Exhibit 46	Letter from Galic to Hammer dated Oct. 1, 1964	1781a
Plaintiff's Exhibit 51	Cable from Galic to Allen dated Oct. 15, 1964	1782a
Plaintiff's Exhibit 52	Agreement Lawler and defendant dated Oct. 16, 1964	1783a
Plaintiff's Exhibit 53	Letter from Galic to Ogbi dated Oct. 19, 1964	1784a
Plaintiff's Exhibit 54	Letter from Lawler to defendant dated Oct. 23, 1964	1785a
Plaintiff's Exhibit 55	Cable from defendant to Lawler dated Oct. 27, 1964	1786a
Plaintiff's Exhibit 56	Letter from defendant to Lawler dated Oct. 27, 1964	1787a
Plaintiff's Exhibit 57	Letter from Lawler to defendant dated Nov. 2, 1964	1789a

Number	Description	Appendix Page
Plaintiff's Exhibit 58	Letter from Lawler to defendant dated Nov. 2, 1964	1790a
Plaintiff's Exhibit 63	Agreement defendant and Frottier dated Nov. 25, 1964	1791a
Plaintiff's Exhibit 64	Letter defendant to Galic dated Nov. 25, 1964	1793a
Plaintiff's Exhibit 65	Letter from Ogbi to Galic dated Nov. 28, 1964	1794a
Plaintiff's Exhibit 66	Letter from Galic to Allen dated Dec. 2, 1964	1795a
Plaintiff's Exhibit 67	Letter from plaintiff to defendant dated Dec. 9, 1964	1797a
Plaintiff's Exhibit 68	Telegram from defendant to Galic dated Dec. 14, 1964	1798a
Plaintiff's Exhibit 69	Letter from defendant to plaintiff dated Dec. 17, 1964	1799a
Plaintiff's Exhibit 70	Letter from defendant to plaintiff dated Dec. 17, 1964	1800a
Plaintiff's Exhibit 71	Agreement, plaintiff and defendant dated Dec. 17, 1964	1801a
Plaintiff's Exhibit 72	Letter from plaintiff to defendant dated Dec. 24, 1964, and Registry Number	1802a
Plaintiff's Exhibit 73	Letter from defendant to plaintiff dated Dec. 28, 1964	1804a

Number	Description	Appendix Page
Plaintiff's Exhibit 74	Telegram from defendant to Frottier dated Dec. 29, 1964	1805a
Plaintiff's Exhibit 77	Letter from Galic to defendant dated Jan. 21, 1965 and enclosure	1806a
Plaintiff's Exhibit 79	Letter from Galic to Allen dated Jan. 22, 1965 and enclosure	1808a
Plaintiff's Exhibit 80	Agreement defendant and Ogbi dated Feb. 15, 1965	1810a
Plaintiff's Exhibit 83	Agreement defendant and Lawler dated Feb. 20, 1965	1812a
Plaintiff's Exhibit 87	Letter from Vaughan to Galic dated March 5, 1965	1815a
Plaintiff's Exhibit 89	Letter from Galic to Vaughan dated March 8, 1965	1816a
Plaintiff's Exhibit 90	Letter from Galic to defendant dated March 8, 1965 and enclosure	1817a
Plaintiff's Exhibit 97	Letter from plaintiff to defendant dated March 16, 1965 and enclosure	1822a
Plaintiff's Exhibit 99	Letter from defendant to Ogbi dated March 25, 1965	1827a
Plaintiff's Exhibit 100	Cable defendant to Lawler dated March 26, 1965	1829a
Plaintiff's Exhibit 101	Letter from Lawler to defendant dated March 29, 1965	1830a
Plaintiff's Exhibit 106	Letter from defendant to Lawler dated April 7, 1965	1832a

Number	Description	Appendix Page
Plaintiff's Exhibit 116	Factors considered by Ministry of Petroleum Affairs	1834a
Plaintiff's Exhibit 119	Letter from Galic to Ogbi dated June 9, 1965	1837a
Plaintiff's Exhibit 120	Telegram from plaintiff to Lawler dated June 13, 1965	1838a
Plaintiff's Exhibit 121	Telegram from Lawler to Hammer	1840a
Plaintiff's Exhibit 122	Agreement defendant and Ogbi dated June 19, 1965	1841a
Plaintiff's Exhibit 123	Letter from Chase Manhattan Bank to Kabazi dated July 15, 1965	1842a
Plaintiff's Exhibit 124	Letter from defendant to plaintiff dated July 16, 1965 and enclosures	1843a
Plaintiff's Exhibit 125	Agreement Occidental of Libya, Inc. and Ogbi dated July 26, 1965	1846a
Plaintiff's Exhibit 128	Letter from Occidental of Libya, Inc. to Minister of Petroleum Affairs dated July 29, 1965	1848a
Plaintiff's Exhibit 129	Letter from Occidental of Libya, Inc. to Minister of PetroleumAffairs dated July 29, 1965	1849a
Plaintiff's Exhibit 130	Extracts from Application for Concession	1849a-1

Number	Description	Appendix Page
Plaintiff's Exhibit 131	Letter from Galic to defendant dated August 2, 1965	1913a
Plaintiff's Exhibit 133	Extract from Petroleum Intelligence Weekly dated August 9, 1965	1915a
Plaintiff's Exhibit 134	Letter from defendant to Lawler dated August 10, 1965	1916a
Plaintiff's Exhibit 141	Letter from Galic to plaintiff dated Oct. 13, 1965	1917a
Plaintiff's Exhibit 144	Extract from Petroleum Intelligence Weekly dated Oct. 25, 1965	1919a
Plaintiff's Exhibit 146	Telegram from Hammer to plaintiff dated Oct. 30, 1965	1920a
Plaintiff's Exhibit 147	Letter from defendant to plaintiff dated Nov. 3, 1965	1921a
Plaintiff's Exhibit 148	Letter from plaintiff to defendant dated Nov. 8, 1965	1923a
Plaintiff's Exhibit 155	Letter from Occidental of Libya, Inc. to Ministry of Petroleum Affairs dated Dec. 27, 1965	1924a
Plaintiff's Exhibit 156	Letter from Occidental of Libya, Inc. to Ministry of Petroleum Affairs dated Dec. 30,1965	1925a

Number	Description	Appendix Page
Plaintiff's Exhibit 158	Letter from Kabazi to Galic dated Feb. 16, 1966	1927a
Plaintiff's Exhibit 163	Cable from Galic to plaintiff undated	1928a
Plaintiff's Exhibit 164	Letter from Royall, Koegel & Rogers to defendant dated March 15, 1966	1929a
Plaintiff's Exhibit 179	Letter from plaintiff to defendant dated July 5, 1966 and enclosure	1930a
Plaintiff's Exhibit 180	Letter from defendant to plaintiff dated July 8, 1966 and enclosure	1932a
Plaintiff's Exhibit 183	Receipt from Galic to defendant dated August 26, 1966	1934a
Plaintiff's Exhibit 184	Check from defendant to Galic dated August 26, 1966	1935a
Plaintiff's Exhibit 185	Release from Galic to defendant dated August 26, 1966	1936a
Plaintiff's Exhibit 186	Release from Galic to Ogbi dated August 26, 1966	1938a
Plaintiff's Exhibit 188	Letter from Galic to plaintiff dated August 29, 1966	1939a

Number	Description	Appendix Page
Plaintiff's Exhibit 194	Letter from plaintiff to defendant dated January 31, 1967	1941a
Plaintiff's Exhibit 195	Letter from defendant to plaintiff dated Feb. 11, 1967	1942a
Plaintiff's Exhibit 204	Report prepared by Vaughan	1943a
Plaintiff's Exhibit 205	Extracts from book entitled "Money, Money, Money"	2000a
Plaintiff's Exhibit 213	Agreement defendant and Ogbi dated Feb. 18, 1965	2011a

(Defendant)

Number	Description	Appendix Page
Defendant's Exhibit 1	Letter from Occidental of Libya, Inc. to Minister of Petroleum Affairs dated March 17, 1966 and enclosure	2014a
Defendant's Exhibit 2	Letter from defendant to Minister of Petroleum Affairs dated March 12, 1966	2021a
Defendant's Exhibit 3	Letter from Kabazi to defendant dated March 8, 1966	2023a
Defendant's Exhibit 4	Extract from Sunday Ghibli dated August 8, 1965	2024a
Defendant's Exhibit 5	Certificate of Libyan Government and enclosure	2026a
Defendant's Exhibit 6	Report of J. Howard Haring dated October 14, 1970	2029a
Defendant's Exhibit 8	Underwriter's questionnaire dated May 11, 1966	2038a
Defendant's Exhibit 9	List of officers of Allen & Company, Inc.	2040a
Defendant's Exhibit 10	List of directors of Allen & Company, Inc.	2041a
Defendant's Exhibit 11	Extracts from prospectus of defendant dated June 17, 1966	2042a
Defendant's Exhibit 14	List of stockholders of Allen & Company, Inc.	2050a

Number	Description	Appendix Page
Defendant's Exhibit 15	By-Laws of Allen & Company, Inc.	2051a
Defendant's Exhibit 17	Statement of net worth of plaintiff dated July 31, 1965	2078a
Defendant's Exhibit 18	Balance sheet of plaintiff dated July 31, 1966	2082a
Defendant's Exhibit 26	Extracts from Libyan Petroleum Law	2086a
Defendant's Exhibit 27	Extracts from Libyan Petroleum Law and Regulations	2116a
Defendant's Exhibit 28a	Extracts from Libyan Penal Law	2126a
Defendant's Exhibit 29	Letter from Galic to deRovin dated March 20, 1965	2127a
Defendant's Exhibit 31	Letter from Galic to deRovin dated June 8, 1965	2130a
Defendant's Exhibit 32	Letter from Galic to deRovin dated July 10, 1965	2135a
Defendant's Exhibit 33	Letter from Galic to deRovin dated July 13, 1965	2140a
Defendant's Exhibit 35	Letter from Galic to deRovin and enclosure dated Sept. 20, 1965	2145a
Defendant's Exhibit 36	Letter from Galic to deRovin dated August 10, 1965	2149a
Defendant's Exhibit 37	Letter from Galic to deRovin dated December 3, 1965	2154a

Number	Description	Appendix Page
Defendant's Exhibit 39	Letter from Galic to deRovin dated June 2, 1966	2157a
Defendant's Exhibit 40	Letter from Galic to deRovin dated April 7, 1966	2158a
Defendant's Exhibit 43	Letter from plaintiff to defendant dated August 2, 1966	2162a
Defendant's Exhibit 44	Letter from defendant to Katz, Zuckerman & Company dated August 12, 1966	2163a
Defendant's Exhibit 46	Letter from Galic to deRovin dated January 13, 1965	2167a
Defendant's Exhibit 47	Telegram from Galic to deRovin dated January 4, 1965	2169a
Defendant's Exhibit 48	Letter from Galic to deRovin dated March 19, 1965	2170a
Defendant's Exhibit 49	Letter from Galic to deRovin dated April 7, 1966	2171a
Defendant's Exhibit 50	Letter from Galic to deRovin dated February 22, 1966	2172a
Defendant's Exhibit 51	Letter from Galic to deRovin dated March 15, 1966	2173a
Defendant's Exhibit 54	Extracts from Defendant's Agricultural Proposal dated July 20, 1965	2177a
Defendant's Exhibit 60	Photograph	2215a

Number	Description	Appendix Page
Defendant's Exhibit 61	Letter from Galic to deRovin dated Sept. 22, 1964	2217a
Defendant's Exhibit 68	Letter from Galic to deRovin dated April 5, 1965	2218a
Defendant's Exhibit 71	Letter from Galic to deRovin dated January 15, 1965	2219a
Defendant's Exhibit 78	Letter from Galic to deRovin dated March 18, 1966	2221a
Defendant's Exhibit 80	Letter from Galic to deRovin dated February 26, 1965	2222a
Defendant's Exhibit 81	Letter from deRovin to Galic dated June 23,1965	2224a
Defendant's Exhibit 82	Letter from Galic to deRovin dated August 16, 1965	2228a
Defendant's Exhibit 83	Letter from Galic to deRovin dated May 16, 1966	2229a

1751a

PLAINTIFF'S EXHIBIT 3.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES: 879-0110 · 477-3724

September 23, 1963

OFFICE OF THE PRESIDENT

Mr. James Lawler
Via Campania 31
Rome, Italy

Dear Jim:

I am enclosing, in triplicate, the corrected agreement for your signature. Please return two copies to us.

Also, please send us a copy of your gas report on Libya and tell us what is the outcome of your communication with Mr. Keith Collins in Tripoli, Libya.

You will recall that on Sunday, you mentioned that the three most desirable concessions for inclusion in our application are #43, #33 and #28. At this time, we don't know whether we will apply but we would like to be prepared with seven potential concessions so that, once we make a decision to proceed, we know exactly what numbers to include in our application.

Will you please advise us of your recommendations for the seven most favorable tracts. We should like to be advised as to their size and such geological and geophysical data as were available to form the basis for your recommendation. It will be helpful if you can state the probably objective horizons and approximate depths, geophysical data which may exist for each of these areas and any other comments which may serve in an appraisal of the relative merits of the various permits on which bids may be make. In order to reduce time and communication, it may be advisable for you to prepare the recommendations with supporting maps.

With best regards,

Sincerely yours,

Alfred Grey
Vice President

AG:ps
Enc.

1752a

PLAINTIFF'S EXHIBIT 21.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES 879-0110 · 477-3724

File No. 1025

OFFICE OF THE VICE PRESIDENT

December 16, 1963

Mr. James E. Lawler
Via Campania 31
Rome, Italy

Dear Jim:

I return your report of December 10, 1963, and would appreciate it if you would:

1. Delete the first two paragraphs on page 2 and,

2. That you either supplement your report of December 10 or you write an additional report to answer clearly and specifically:

   a. What are your findings for the preparation of an application for the oil concession? If you have the information, please include it in the report. If you don't have the information, please state when you will report them and,

   b. What is today's status of the registration of Occidental of Libya, Inc. (Is it or is it not registered?) Have you in person visited the Ministry to obtain confirmation that Occidental is registered? What is there to be done in connection with the registration and who is going to do it? Have you the names of the officers with their addresses where the payments should be made? Since you left Lenghi $500, does it mean that only $500 should be paid?

I don't know how to make it clear that from your reports to date, we do not have a clear picture of what is the present status of the two assignments for your recent trip to Libya.

Your official Power of Attorney is in process of preparation. I have just been advised by our Legal Department, that the Libyan Embassy promised today to return the papers to us tomorrow by air freight so that we expect to receive the papers in Los Angeles on Wednesday when we will send them to Libya.

As far as the bank account is concerned, please rush to us Barclay's resolution form and we will proceed immediately with the resolution form so that we may prepare minutes and have them certified and send them to Barclay's Bank directly.

It appears from your report that you were accepted by Dr. Ali Aneizi. It would seem, therefore, that Dr. Hammer's letter duly notarized was accepted by the Government of Libya. Is this correct?

In view of the delay in Libya, would you agree to extend your preliminary contract to the end of February 1964 so that you and we have a chance to see whether we would proceed with Libya. Please confirm your acceptance of the two months extension by cable since in view of the heavy Christmas mail, it may not reach me before my departure for Europe.

At this moment, I don't know exactly when I am going to leave Los Angeles and whether I would be able to meet with you on my way to Morocco or on my return trip. I will advise you as soon as my schedule is agreed with our Moroccan friends.

With all best wishes.

Sincerely yours,

Alfred Grey
Vice President

Enclosure

AG:gt

PLAINTIFF'S EXHIBIT 22.

February 22, 1964

Mr. Alfred Grey
Vice President
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Suite 1400
Los Angeles 24, California
U. S. A.

Dear Alfred:

Thank you for your letter of February 19.

With reference to the bill for the trip to Paris on December 23 and 24, 1963, you will remember that you had advised me to meet you there on those two days. Later you changed your plans, but advised me too late that you had done so - I was already on my way to Paris when your telegram arrived.

You state that you received "the schemativ interpretive cross-section". In November, in New York, I handed you five maps and a written report and from time to time since then you have been mailed a total of six other maps and two cross-sections. Had you purchased the above you would have been charged five thousand dollars, for you will note that the tectonics are from seismograph determinations.

In addition, when I first met with you in Los Angeles in late September, you reproduced several maps from the bag I left with you for transshipment by air freight. Among those were the five 1:1,000,000 subsurface maps of Libya. I up-date those maps only twice a year, so that they cost my other clients four thousand five hundred dollars per set. You were allowed to reproduce all of that material only because of an implied promise of a stock option to have gone into effect on the first of January, 1964.

In November I brought to New York with me a set of sepias of the five subsurface maps. You were told that I had them with me, but apparently had no interest in them

PLAINTIFF'S EXHIBIT 22

and did not request that copies be made. I have spent the past two months working on nothing else but the subsurface maps, so that they have been completely revised since the end of 1963. Since having revised the regional maps and since having received the data concerning the new releases in Libya, naturally I have changed my opinion concerning choice concessions in some instances, but I believe I more than fulfilled my contractural obligations with Occidental by submitting to them the above mentioned studies, writing a long report on Morocco and advising them on choice concession areas, plus saving them $10,000.00 on my last trip to Libya.

Recently I was called by Dr. Nadim Pachachi to come to Geneva; he and Dr. Aneizi told me there that they had had no further word from you, so I presume you have decided, as Dr. Hammer stated in Paris in January, not to attempt to obtain Libyan concessions alone at present. I am in contact with other substantial companies which wish to form a partnership to go into Libya should you be interested.

With best personal regards to you and Dr. Hammer,

Sincerely,

James E. Lawler

1756a

PLAINTIFF'S EXHIBIT 23.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES 879-0110 · 477-3724

OFFICE OF THE VICE PRESIDENT

February 26, 1964
File No. 1025

Mr. James Lawler
Via Campania, 31
Rome, Italy

Dear Jim:

Thank you very much for your letter of February 22.

With regard to the cost of your trip to Paris on December 23-24, I cannot find any basis for such charge in my correspondence. On December 16 I wrote you as follows:

> "At this moment, I don't know exactly when I am going to leave Los Angeles and whether I would be able to meet with you on my way to Morocco or on my return trip. I will advise you as soon as my schedule is agreed with our Moroccan friends."

In your letter of December 14 you stated:

> "With respect to the proposed meeting...Should you wish to meet with me in Paris on the 23rd and 24th I shall reserve those two days for you."

On December 24 I received your cable stating:

> "Will be Hotel Vendome Paris Christmas Week."

I cabled you immediately:

> "Intend passing Paris December 27 Air France flight 700 7:55 AM, will leave 8:40. Letter follows to Rome. Merry Christmas."

I wrote you on the same day.

PLAINTIFF'S EXHIBIT 23

Since Occidental did not authorize you to go to Paris, and you did not show up at the airport on December 27 on your own initiative, I really don't see any basis for you charging the company with this trip.

With regard to the maps, I am enclosing a list of the maps which we have on file. Certainly you mention in your letter many more maps, but we have not received them or photostats of them. I would suggest that the missing maps (the difference between our list and those you mention in your letter of February 22) be photostated and sent to us.

Up to now we have not made a final decision regarding Libya. Since you have in the meantime taken other assignments, please advise us whether it would be acceptable to you to meet* with an engineer in one of the European capitols in order to familiarize him with the maps, should we decide to go ahead. It is also possible that we may want to make such a review of maps before reaching our decision. Such a review before our decision may be justified in order to evaluate our chances.

This morning I received a report entitled "Etude Preliminaire Du Bassin De La Bahira Tadla". Do you think that it is worthwhile to make a review of what you have done in Morocco and compare it with this report in order to come up with something new, or do you consider your views expressed in the old report as final?

I am sending a copy of your letter and my reply to Dr. Hammer so that he is up to date on this matter. I am looking forward to hearing from you.

With best regards, I remain,

Sincerely,

Alfred Grey
Vice President

AG: mac
attachment

*at your regular per-day fee

1758a

PLAINTIFF'S EXHIBIT 25.

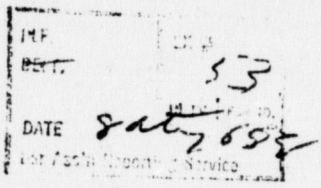
2

33 xx

Paris, August 17 1964

26821

Mr Taher Ogbi
Ogbi Brothers
P.O.Box 657
Tripoli, Libya



My dear Mr Ogbi,

It was a great pleasure and privilege for me to have met you, and I thank you for the opportunity you afforded me to have an exchange of views.

I will never be able to thank you sufficiently for the warm hospitality and friendship you showed me, and now I hope you will, at your earliest convenience, give my family and myself the pleasure and privilege to welcome you in France, and to try to reciprocate to some extent during your stay here.

It was a great honour for me to have spent two evenings in your home with your wonderful family, and you may rest assured you have secured in me a loyal and faithful friend under all circumstances.

Please accept, dear Mr Ogbi, the expression of my sincerest gratitude and affection.

Sincerely yours,

THEODOR BRENNER

TB/mc

b.c. General de Rovin
Hotel Quirinal
Rome

1759a

PLAINTIFF'S EXHIBIT 26.

OGBI BROTHERS

NEW STATE-OFFICE BUILDING - SHARA TAMRAN 5TH FLOOR
P. O. BOX 657
TRIPOLI (LIBYA)

INSURANCE AGENTS
MANUFACTURERS' AGENTS
CONTRACTORS
IMPORTERS - EXPORTERS
AGRICULTURISTS

BANKERS: BARCLAYS BANK D.C.O.
BANCO DI ROMA
Cables: ELOGBI - TRIPOLIBYA
Teleph.: Offices : 42302 - 46632
W/House: 45577

REÇU LE
24 AOUT 1964
RÉPONDU LE

Your ref. TB/mc
Our ref. D/1/64

DATE 19th Aug. 1964

Mr. Theeder Brenner
Director
I n t e r e r e - France.
33, Avenue Des Champs-Elysées
P a r i s, VIIIe

PLF. EX # 54
DATE 8 May 1968
Bar Ass'n Reporting Service

My dear Mr. Brenner,

Your kind letter dated 17th instant has just reached me and I want to thank you for your very gentle expressions contained therein.

May I assure you, once again, that our first personal contacts will serve to develop mutually fruitful activities based upon the foundation which we have now established through the recent exchange of views.

I shall, certainly, look forward to visit you in France as this will also mean that concrete developments would be 'in the making'. On the other hand, please be assured that my home is always open to welcome you whether for friendly, personal or for business talks at any time.

I have mailed a letter to our mutual friend Gen. de Ravin, today, with regards to the 'potash deposits' and I am sure that he will communicate with you shortly in this direction.

Hoping soon to receive your news which I shall be earnestly awaiting,

I remain,
Yours Very Sincerely,

(Taher Ogbi)

1760a

PLAINTIFF'S EXHIBIT 27.

De EXH. NO. 27 ld
BORAK, REPORTER
12/4/67 JSB

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

August 28th, 1964

Mr. Charles ALLEN

30, Broad Street

NEW YORK

Dear Charlie,

I am sending you the attached letter in case you will meet Mr. HAMMER, President of OCCIDENTAL PETROLEUM.

It is always easier to defend somebody-else's interests than one's own. I do not need anything written, but I want you or ALLEN & Cy. to take part of the deal and to be protected.

We are taking to-night your wife and my little sister for dinner at the country, in Paris it is hot as in hell, much more than when you left.

My Belgium deal is working out very well and I hope and I hope to have your definite news in two or three weeks.

With kindest Regards

Ferdy

1761a

PLAINTIFF'S EXHIBIT 28.

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

August 29th, 1964

Mr. Charles ALLEN

30 Broad Street

NEW YORK

My dear Charles,

I hope that you had a good flight, that is the place where you can take a nice rest.

As you know, I got in touch with OCCIDENTAL PETROLEUM for ALLEN & Cy. for the Libyan deal, by a good relation of mine, General RODIN who rendered good services to the Libyan Royal Family. He is a person of great influence in this country. This results from the enclosed photostatic copies of letters one of which was addressed directly to OCCIDENTAL PETROLEUM, one to Mr. BRENNER, representative of OCCIDENTAL PETROLEUM and the third to me from General RODIN. The latter is for the time being in Italy, to take a short holiday, and he will get in touch with me at the beginning of September.

As I did not protect my interests with OCCIDENTAL PETROLEUM, and as it was in fact ALLEN & Cy. I would like you to protect my interests for this Libyan deal with OCCIDENTAL PETROLEUM.

Mr. OGBI is a party head and is protected by the king, his son is member of the Parliament, and so is Mr. OGBI.

There is no closer contact possible, and if OCCIDENTAL PETROLEUM proceeds in an intelligent way, they will be able to obtain the utmost at extremely interesting conditions,

Dept Rest for cc
12-4-1/67 (6 sheet 1

PLAINTIFF'S EXHIBIT 28

and always with priority.

If you have news from OCCIDENTAL PETROLEUM, will you kindly inform me in which way you protected my interests in this operation.

Thanking you in advance

Very truly yours

PLAINTIFF'S EXHIBIT 28

Le 17 Avril 1929

Dear Mr Gallic

I send you confidentially the enclosed letter of Mr Ogilby. Copy of the letter that Mr. Ogilby sent to Mr. Bowers et copy of the letter send to the Continental Petroleum Corporation etc. - - - through Mr Bowers.

Do as you think wise, =

I am very tired and I will not be back in Paris before Tuesday staying in Italy to take an rest.

I will phone you —

PLAINTIFF'S EXHIBIT 28

as soon as I have more news

Mr. McGehee is very friendly with the Prince and was President of the Legislature Congress for 8 years and will be elected a new time according with the Prince.

Kind Regards

Yours Truly

PLAINTIFF'S EXHIBIT 28

INSURANCE AGENTS
MANUFACTURERS' AGENTS
CONTRACTORS
IMPORTERS · EXPORTERS
AGRICULTURISTS

OGBI BROTHERS

NEW STATE-OFFICE BUILDING · SHARA TAHRAN 5TH FLOOR
P. O. BOX 657
TRIPOLI (LIBYA)

BANKERS: BARCLAYS BANK D.C.O
BANCO DI ROMA
Cables: ELOGBI · TRIPOLIBYA
Teleph.: Offices : 42300 · 46632
W/House: 45877

Your ref.

Our ref. TOB/AL

DATE 14th August 1964

Messrs.,
OCCIDENTAL PETROLEUM CORPORATION
10889, Wilshire Boulevard
Los Angeles (Cal.) USA.

Att: Dr. A. Hammer - Chairman Of The Board.

Dear Sir,

I was extremely pleased to meet your European representative, Mr. T.B. Brenner, and learned your intentions to participate actively towards the establishment of the two projects outlined in our recent conversations and about which Mr. Brenner will undoubtedly report to your goodself shortly.

My friends and I welcome this initiative and, based on the impression created here by your delegate, I am pleased to extend the best possible assurances that may be given at this stage in relation to the following status:-

a) Obtain complete preference on any areas you select for developing the main project, compatible with your principal activity and in as great a number as you would choose out of the available zones.

b) We are particularly interested in going into a joint-venture with you for the second project, on a large scale, whereby you would supply the plant and the necessary technical know-how and experience. We would also be agreeable to give you the management contract and to entrust you with world-wide sales of the product and of the by-products under terms and conditions to be concretely negotiated with your Mr.Brenner on the occasion of his next visit to our Country.

c) Furthermore, we advise you that raw-material deposits - relating to the second project - do exist in two provinces of Libya and we shall give Mr. Brenner detailed information shortly.

.../over.

PLAINTIFF'S EXHIBIT 28

OGBI BROTHERS

NEW STATE-OFFICE BUILDING - SHARA TAHRAN 8TH FLOOR
P. O. BOX 687
TRIPOLI (LIBYA)

INSURANCE AGENTS
MANUFACTURERS' AGENTS
CONTRACTORS
IMPORTERS - EXPORTERS
AGRICULTURISTS

BANKERS BARCLAYS BANK D.C.O
BANCO DI ROMA
Cables: E L O G B I - TRIPOLIBYA
Teleph Offices : 42308 - 46633
W/House 45577

(O.P.C. - Dr.Hammer - 14/8/64)

Your ref.

Our ref

DATE

.../continued.....

d) Following meetings which the writer is due to have in the course of next week, it is trusted that concrete assurances may be obtained to the effect that no area whatsoever will be granted to any competitive group - in connection with our main project - and we shall keep Mr. Brenner advised of any moves of competition both in relation to the first and to the second project.

e) We hereby confirm that the writer and his friends will not deal with any other group interested in the same projects and that this confirmation is effective immediately and is valid until 30th March 1965; we shall, of course, endeavour to bring the projects to a successful conclusion in the shortest time possible.

Immediately I shall have had the opportunity of discussing the above points - next week - at this end, I shall ask you to arrange for your geologists to come over together with Mr. Brenner upon his next visit. I shall advise Mr. Brenner via General de Ravin - who is persona grata in our Country - of the date on which the next visit should be made.

I also hope and look forward to your renewed visit to our Country when all is ready to conclude a formal agreement; the financial terms, conditions and related mechanics governing the areas of our main project will be discussed during Mr. Brenner's next visit here.

Yours Sincerely,

Taher Ogbi

(Taher Ogbi)

cc: General de Ravin - Paris.
Mr. T.E. Brenner - Paris.

PLAINTIFF'S EXHIBIT 28

TAMER GOBI
[illegible]
[illegible]

14th August 1964

Dear Mr. Brenner,

I am extremely grateful to our good mutual friend, General P. de Bavin, for having brought you to our Country.

I enjoyed very much meeting you and the opportunity for a thorough and friendly exchange of views.

In view of the complete confidence created between us personally, I herewith confirm my willingness and undertaking to utilise my position and friends in every way to bring to a rapid and successfull conclusion the matters we discussed, on a reciprocally profitable basis and particularly in the interest of my Country.

I shall rely heavily on your personal and constant cooperation with a view of succeeding in this venture. Consequnetly, I have decided - with the knowledge and approval of those concerned at this end - to enclose a 'letter of intention' as requested and outlined by your goodself.

It is my intention to visit Gen. de Bavin in Paris soon and look forward to more understanding and to our continued personal friendship.

With kindest regards and best wishes,

Very Sincerely,

Mr. P.E. Brenner
P a r i s (France)

PLAINTIFF'S EXHIBIT 31.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES 879-0110 · 477-3724

OFFICE OF THE PRESIDENT

September 5, 1964

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York 4, New York

Dear Herbert:

This will acknowledge receipt of your letter of September 1, 1964 which correctly quotes a letter of August 14, 1964 received by me from OGBI Brothers of Tripoli. This is an export-import firm with whom Mr. Brenner became acquainted on the trip to Libya, as I mentioned to you in our telephone conversation a few weeks ago.

I did not assure you that "Ferdinand Galiş and ~~Klehe &~~ Company will be compensated to their satisfaction for their services in this matter and this will include an override or carried interest in the deals," as stated in your letter. Klehe & Company's contract with us provides for their compensation.

I did say, and I am glad to confirm again, that we would welcome Allen & Company's participation on a mutually satisfactory basis. The proposed projects consist of building an ammonia plant as well as applying for a drilling concession, which projects are under consideration by the Libyan Government having been submitted by me on my previous trip to Libya.

With best regards to you and Charlie, I am,

Sincerely yours,

Armand Hammer, President

AH:ph

1769a

PLAINTIFF'S EXHIBIT 32.

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

September 7, 1964.

Mr. Charles ALLEN

30, Broad Street

NEW YORK, N.Y.

Dear Charlie,

I met General RODIN yesterday who told me that he has an appointment with Dr. HAMMER in LONDON on September 17, in GENEVA in the SWISS CREDIT on September 18 and in TRIPOLI, Libya, on September 19 and he asked me to be present to all three meetings and I think I will attend them.

OCCIDENTAL PETROLEUM want to be involved in many other deals. Mr. OGBY wanted from OCCIDENTAL PETROLEUM some financial support for the next election. He will be Prime Minister of LIBYA on October 10. As he belongs to the Royal Party, there is no doubt that he will be elected.

He was many years Member of the Deputies' Chamber.

ESSO wanted the gas line in LIBYA and they stopped all negotiations and probably OCCIDENTAL PETROLEUM will have that also.

The Oil Field, as General RODIN told me, which OCCIDENTAL PETROLEUM will get, is the best of all concessions. For this reason, I will do my work in LONDON, GENEVA and TRIPOLI and you have to do the rest with Dr. HAMMER.

With kindest Regards !

Ferdinand

14.1.67

1770a

PLAINTIFF'S EXHIBIT 33.

ALLEN & COMPANY

Established 1922

30 Broad Street, New York 4, N.Y.

September 8, 1964

Dr. Armand Hammer
Occidental Petroleum Corp.
10889 Wilshire Blvd.
Los Angeles 24, Calif.

Dear Armand:

In reference to our telephone conversation of even date and as confirmed by you, the next to the last paragraph of my letter to you of September 1, 1964 will read as follows:

"In our telephone conversation you assured me that Ferdinand Galic will be protected on a mutually satisfactory basis for his services in the various Libyan matters."

You stated to me in your letter of September 5, 1964 the following:

"This will acknowledge receipt of your letter of September 1, 1964 which correctly quotes a letter of August 14, 1964 received by me from OGBI Brothers of Tripoli. This is an export-import firm with whom Mr. Brenner became acquainted on the trip to Libya, as I mentioned to you in our telephone conversation a few weeks ago.

"I did not assure you that "Ferdinand Galic and Klehe & Company will be compensated to their satisfaction for their services in this matter and this will include an override or carried interest in the deals, " as stated in your letter. Klehe & Company's contract with us provides for their compensation.

DEFTS EX 2-8 M
12/5/67 Q

PLAINTIFF'S EXHIBIT 33

ALLEN & COMPANY

Established 1922

30 Broad Street, New York, N.Y. 10004

"I did say, and I am glad to confirm again, that we would welcome Allen & Company's participation on a mutually satisfactory basis. The proposed projects consist of building an ammonia plant as well as applying for a drilling concession, which projects are under consideration by the Libyan Government having been submitted by me on my previous trip to Libya."

I am enclosing a copy of a letter of September 7, 1964 written to Charles Allen by Ferdinand Galic.

Armand, these matters are of such great proportion that you have to think, as you always do, and that is - in a big way. As I explained to you on the telephone, Allen & Company are not in this business for love and we must be recognized.

You advised me that you would sit down and discuss this matter fully with me on your next trip to New York. Ferdinand Galic is awaiting a letter from you to the effect that Occidental Petroleum Corporation is protecting him on a mutually satisfactory basis for his services in the various Libyan matters. Following our conversation today, I have written Ferdinand Galic as follows:

'Dr. Armand Hammer of the Occidental Petroleum Corporation has assured me that you will be compensated on the Libyan matters on a basis mutually satisfactory to Occidental Petroleum Corporation and yourself.'

The matter of Klehe & Co. and Occidental Petroleum Corp. is out of my province. I presume this matter will be finalized between Occidental Petroleum Corporation and Klehe & Co.

With kindest personal regards, I am

Sincerely,

HERBERT ALLEN

cc Mr. Galic/Klehe & Co.

1772a

PLAINTIFF'S EXHIBIT 33

ALLEN & COMPANY

Established 1922

30 Broad Street, New York 4, N.Y.

September 8, 1964

Mr. Ferdinand Galic
41, Rue Spontini
Paris 16°, France

Dear Ferdo:

Dr. Armand Hammer of the Occidental Petroleum Corporation has assured me that you will be compensated on the Libyan matters on a basis mutually satisfactory to Occidental Petroleum Corporation and yourself.

Please note the enclosures.

With kindest personal regards, I am

Sincerely,

HERBERT ALLEN

cc Dr. Hammer
cc Klehe & Co.

PLAINTIFF'S EXHIBIT 36.

INTERNATIONAL ORE & FERTILIZER CORPORATION

500 FIFTH AVENUE, NEW YORK, N.Y. 10036

INTEROME

Telephone: BRyant 9-1200 (Area Code

Cable Address: INTEROME, N.Y.
A.C.I. Telex: INTEROME, N.Y.
R.C.A. Telex: INTEROME, N.Y.
WU Telex: INTEROME, N.Y.
Domestic Teletype: N.Y. 212-...

PLF. EX. # 4A
DEFT. IDENTIFICATION
DATE 9 Feb 1965 J
Bar Ass'n Reporting Service

18th September, 1964

Dear Mr Gallic,

Further to our conversations held in London from 17th to 19th September, 1964, I herewith confirm the agreement between us as follows in consideration ofservices to be rendered enabling Occidental petroleum Corporation, Los Angeles, California, to obtain Oil and Gas concessions in Lybia under conditions acceptable to Occidental:

1. You will be entitled to a carried interest of 4% based on the proceeds of the sale derived from the crude Petroleum

2. If for any reason Occidental does not acquire Oil and Gas concessions in Lybia as the result of your intervention Occidental will be free from any obligation whatsoever towards you.

It is clearly understood that this agreement is both non-transferable and non-assignable except with Occidental's specific written approval to this effect.

It is understood that you commit yourself within the framework of this agreement to abstain from megotiating with any other party for Oil and Gas concessions in Lybia during the term of this Contract.

Please signify your approval of the above conditions by signing below.

Signed and approved by

on behalf of

Signed and approved by

on behalf of

Occidental Petroleum

Armand Hammer

Chairman

PLAINTIFF'S EXHIBIT 37.

INTERNATIONAL ORE & FERTILIZER CORPORATION
500 FIFTH AVENUE, NEW YORK, N.Y. 10036

INTERORE

Telephone: BRyant 9-1200 (Area Code 2...
Cable Address: INTERO...
A.C.R. Telex: N.N.Y. 0...
R.C.A. Telex: N.Y. 4...
WU Telex: N.Y. 01-2...
Domestic Teletype: N.Y. 212-6...

8

Plts Ex #6
Id.
2-7-68

18th September, 1964

Dear General de Rovin,

Further to our conversations held in London from 17th to 19th September, 1964, I herewith confirm the agreement between us as follows in consideration of services to be rendered enabling Occidental Petroleum Corporation, Los Angeles, California, to obtain Oil and Gas concessions in Lybia under conditions acceptable to Occidental:

1. You will receive the sum of U.S. dollars 200,000 on the date of formal acquisition of the concessions selected by Occidental and official registration thereof.

2. You will further be entitled to a carried interest of 4% based on the proceeds derived from the sale of the crude Petroleum, the aggregate of which not to exceed U.S. dollars 300,000.

The total consideration for your services will thus amount to U.S. dollars 500,000.

3. If for any reason Occidental does not acquire Oil and Gas concessions in Lybia as the result of your intervention Occidental will be free from any obligation whatsoever towards you as set out under Nos 1 and 2.

It is clearly understood that this agreement is both non-transferable and non-assignable except with Occidental's specific written approval to this effect.

It is understood that you commit yourself within the framework of this agreement to abstain from negotiating with any other party for Oil and Gas concessions in Lybia during the term of this Contract.

Please signify your approval of the above conditions by signing hel...

Signed and approved by

on behalf of
OghixxEx

Signed and approved by

on behalf of
Occidental Petroleum
Corporation

PLAINTIFF'S EXHIBIT 38.

INTERNATIONAL ORE & FERTILIZER CORPORATION

500 FIFTH AVENUE, NEW YORK, N.Y. 10036

INTEROREX

Telephone BRyant 9 1200 Area Code 212

Cable Address: INTEX
A.C.H. Telex: N.Y.
R.C.A. Telex: N.Y.
WU Telex: N.Y.
Domestic Teletype: N.Y.

Plt Ex #1
Ident
2-7-68

London, 18th September, 1964

1. This certifies that Messrs Ogbi Bros., P.O. Box 657, Tripoli, Lybia, shall employ their best efforts to enable Occidental Petroleum Corporation, Los Angeles, California, to obtain Oil and Gas concessions from Lybia.

2. These Oil and Gas concessions will be either No. 32 or No. 59 and one additional concession from any other area at Occidental's option.

If Occidental prefers to select neither No. 32 nor No. 59, Ogbi Bros. will do their utmost to secure any three concessions that Occidental shall request.

3. In consideration of services rendered by Ogbi Bros. to Occidental and if same are successful, Occidental will grant Ogbi Bros. an overriding royalty measured by 3% of gross income derived from the sale of the crude Oil produced from the concessions granted to and acquired by Occidental.

4. Occidental agrees, that upon the granting and official registration of the concessions, it will purchase the overriding royalties for the sum of U.S. dollars 1,500,000. for the concessions mentioned in paragraph 2.

5. Allen and Co., 30 Broad Street, New York, Investment Bankers, or another banking group selected by Occidental, will issue a letter to Ogbi Bros. confirming that the payment of dollars 1,500,000 will be made to Ogbi Bros. upon the granting and official registration of the concessions.

6. If, within a time period of 180days, after formal application by Occident l for specific concessions, same are not formally granted, this letter and all its provisos become automatically null and void.

Signed and approved by

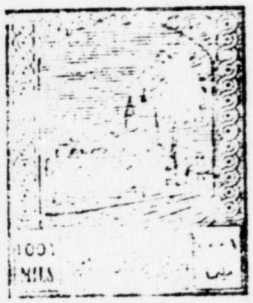
on behalf of
Ogbi Bros.

TAHER OGBI

Signed and approved by

on behalf of
Occidental Petroleum Corporation

DR ARMAND HAMMER
President



VALID FOR B.P. £L. US. $ 5000

..... the ..... 19 ..... ١٩ ..... فى .....

On the A ..... 34 ..... will pay pagherò ..... ندفع .....

for this per questa .... ذه الوثيقة

to a Occidental Petroleum Corporation

the sum of la somma di £L. FIVETHOUSAND US DOLLARS ONLY ..... م ره

Messrs.Taher Ogbi

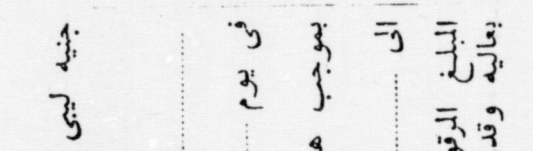
P.O.Box 657

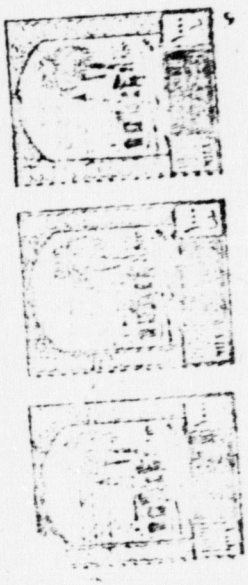
Tripoli/Libya

For OGBI BROTHERS

(Taher Ogbi)

PLAINTIFF'S EXHIBIT 39.





24
97

PLAINTIFF'S EXHIBIT 39

P-40

1778a

PLAINTIFF'S EXHIBIT 40.

UNITED CALIFORNIA BANK

SIXTH AND GRAND OFFICE
534 WEST SIXTH STREET, LOS ANGELES, CALIFORNIA

NO 762 16-202/1220

PAY TO THE ORDER OF 18th Sept. 19 64

Mr Ferdinand Calic $ 10,000

ten thousand dollars DOLLARS

UNION DE BANQUES SUISSES
130601
LAUSANNE

ARMAND HAMMER
10889 WILSHIRE BOULEVARD - SUITE 1450
LOS ANGELES 24, CALIFORNIA

Reimbursement for dollars 10,000 loan
to Taher Ogbi

⑆1220⑈0282⑆ 14980 2672⑈11 ⑈0001000000⑈

PAY TO THE ORDER OF ANY BANK
BANKER OR TRUST COMPANY
PRIOR ENDORSEMENT GUARANTEED
UNION BANK OF SWITZERLAND
LAUSANNE

SEP 24 64

33

8 May 1968

en possession de
M. EUROPEAN AMERICAN
NATL TRUST CO NADUS

[redacted]

EXCHANGE FOR. $ 10.000.- (Dollars)

At SIGHT pay this sola Bill of E
to the

Mr. Ferdinand GALIC

• TEN THOUSAND DOLLARS •

Value

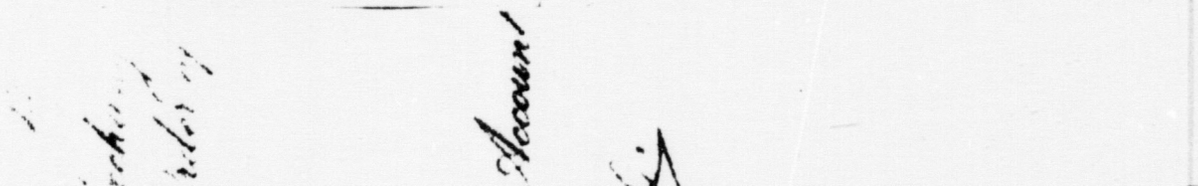
To

which place to

BANK OF LIBYA in TRIPOLI (Libya)
Taher OGBI account

UNION BANK OF SWITZERLAND
PAY TO THE ORDER OF

PLAINTIFF'S EXHIBIT 41.



1780a

PLAINTIFF'S EXHIBIT 42.



PLAINTIFF'S EXHIBIT 46.

41, Rue Spontini

PARIS 16°

October 1st, 1964

Dr. A. HAMMER
Claridge's Hotel

LONDON

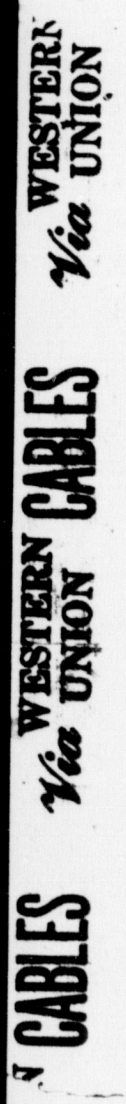
Dear Dr. HAMMER,

With reference to this morning's telephone conversation, please fin enclosed herewith photostatic copy of your 10.000$ check cashed by Mr. OGBY.

With kindest Regards

EXH. G-12 FOR ID.
6-16 DAVID J. FELDMAN, C.S.R.

PLAINTIFF'S EXHIBIT 51.



DUPLICATE OF TELEPHONED MESSAGE

NNNN

ZC2C LNL1322 QGA1117

TRIPOLILIBYA 12 15 1550 HCW1445

CHARLES ALLEN 30 BROAD STREET NEWYORK

VISIT HERE VERY SATISFACTORY

REGARDS FERDO

return to CH

COL 30

PLAINTIFF'S EXHIBIT 52.

JAMES E. LAWLER
VIA CAMPANIA 31, INT14
ROME, ITALY
CABLE LAWLER ROME
TEL 478 873

October 16, 1964

Mr. Richard H. Vaughan
Vice President and Chief Geologist
Occidental Petroleum Corporation
5000 Stockdale Highway
Bakersfield, California

Dear Mr. Vaughan:

Below are listed the points of agreement which we have reached concerning my relationship with Occidental Petroleum Corporation during the coming calendar month:

1) I shall be retained by Occidental at the rate of $1000.00 for one-half of my time.

a) Should I work for Occidental's account more than one-half of my time during the month, Occidental will be charged for the excess on a pro-rata basis.

b) Excess would be undertaken at my own option.

2) During the month my principal occupation will be the compilation and interpretation of geological data from my own files.

a) Primary area of interest will be the 59a released area and environs in Libya, bounded by latitude and longitude 28° to 30° North, 19°30' to 23° East.

b) Other projects would be undertaken only at Occidental's specific request.

3) Occidental will be charged for unusual expenses incurred for their account over and above normal office expenses.

a) All reproduction of well logs to reduce them to small scales suitable for cross-sections will be at Occidental's expense.

b) Drafting over 8 hours per day will be charged to Occidental.

c) Out-of-pocket travel expenses will be charged to Occidental if trips are requested by Occidental.

4) Term of this preliminary agreement will be from October 15 through November 14, 1964.

a) It is anticipated that the agreement will be revised and extended when both parties have had an opportunity to determine their future plans during the contract month.

5) Occidental will agree to hold all data submitted under this agreement as confidential, and will not cede it to another person or organization without my specific written agreement.

6) Payment will be made within ten days of submittal of my invoice to Occidental.

a) Check will be mailed to James E. Lawler
c/o Mr. Paul Bell, Vice President
1st National Bank in Dallas
Dallas 1, Texas.

If you are in full agreement with the above, kindly so indicate by signing in the space provided below.

AGREED: R. H. Vaughan
Richard H. Vaughan

James E. Lawler
James E. Lawler

PLAINTIFF'S EXHIBIT 53.

41, Rue Spontini

PARIS 16°

19 October, 1964.

Mr. Taher OGBI

P.O.Box 657

TRIPOLI, Libya

Dear Mr. OGBI,

Thank you very much for your kind reception during my stay in Tripoli and I do hope that you finished with success our operation, the same way you finished successfully your personal operation.

I wish to express once more my congratulations and I am convinced that we have to profit of this success and not to rest upon, you are holding the trump-cards in hand !

I was contacted by differant people in Tripoli, but I did not want to give any answer to anybody, before we cannot sit together and centralize all the deals in your hands. I hope that we will find a solution and I will be glad that we go through with the concession, so we will have a bigger financial support from my friends in NEW YORK and myself.

I hope you will find to answer my questionary so that I can transmit to ASSOCIATED GAS & OIL.

Will you please confirm the right time for me to come to TRIPOLI, for the concession.

Thank you again for all your kindness !

Sincerely yours

PLF EXHIBIT FOR ID.
7/17/69 DAVID J. FELDMAN, C.S.R.

PLAINTIFF'S EXHIBIT 54.

JAMES E. LAWLER
VIA CAMPANIA 31, INT.4
ROME, ITALY
CABLE: LAWLER ROME
TEL. 470 0

October 28, 1964

Dr. Armand Hammer
Occidental Petroleum Corporation
10889 Wilshire Blvd.
Los Angeles 24, California

Dear Dr. Hammer:

The evening of the 21st I received a telegram from the Minister of Petroleum in Libya inviting me to come to Tripoli to talk with him.

Since my last contact with the Ministry of Petroleum Affairs of Libya was in December of 1963 when I visited the then Minister on Occidental business and presented a letter stating that I was a Vice President of Occidental and had a power of attorney for them, I can only surmise the following: During the recent trip to Libya of your representatives the Ministry of Petroleum was not contacted; there are no secrets in Arab countries, the Minister has heard of the visit, and in asking that I come to Libya to explain.

I have tried for two days to contact you for instructions in this matter, but must now leave for Tripoli, for whether the above surmise is right or wrong I cannot jeopardize my good relations with Dr. Qa'abani by ignoring his "invitation".

Dick: Sending you a copy of this in case you're interested; didn't note it on Dr. Hammer's copy.

Regards,

James E. Lawler

1786a

PLAINTIFF'S EXHIBIT 55.

ITALCABLE

Progresso e Numero · Provenienza · Numero Parole · Data · Ore · Indicazioni eventuali
CT 1203

PER LA RISPOSTA TELEFONATE AL N. 6660

NR293
CD BEA145 INTL BAKERSIFLED CALIF 25 26 220P

LAWLER - 479973
JAMES E LAWLER
VIA CAMPANIA 31
LT LAWLER ROMEITALY

TELEGRAMMA *via Italcable via Italo Radio*

ITALCABLE 27-10 1964

Spazio riservato agli estremi di ricevimento

PLEASE ADVISE OF RESULTS REGARDING MEETING WITH
MINISTER YOU WERE INSTRUCTED TO CHANNEL COMMUNICATION THROUGH
BAKERSFIELD
R H VAUGHAN OCCIDENTAL PETROLEUM CORP

mod. 100/1-MLT/64

Il Governo Italiano e la Società Italcable non assumono alcuna responsabilità in conseguenza del servizio telegrafico
Le tariffe « VIA ITALCABLE » e « VIA ITALO RADIO » sono uguali a quelle delle vie meno costose

PLAINTIFF'S EXHIBIT 56.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRVIEW 7-7351

October 27, 1964

AIR MAIL

Mr. James E. Lawler
Via Companya 31
Rome, Italy

Dear Jim

Your letter of October 23 regarding your then impending visit to Tripoli and Dr. Qaabazi (Kabazi-sp?) arrived yesterday afternoon. It is unfortunate that you did not contact me prior to your departure for Tripoli. As we discussed in Rome, your best avenue for communication regarding all phases of Occidental's activities in Libya, Turkey and elsewhere in areas in which you might be concerned will be through the Bakersfield office to my attention. Had this route been followed in this particular instance, I could have provided you with some pertinent information prior to your meeting with the Minister of Petroleum.

In any event, I would be most interested in the results of your meeting with the Minister; the nature of his inquiries as to Occidental's activities, and the source of his information that Occidental, in my person, was present in Libya earlier this month.

Regarding Turkey, under separate cover, I am returning your originals, blue lines that is, of the Thrace maps and cross sections. As you can well imagine, we have not formulated any plans regarding activity in Turkey as yet. As I told you in Rome, this is an area that we have definitely been contemplating entering and we will keep you informed as to our interest, immediate and general.

Your geological draftsman sounds as if he would be a valuable addition to your staff. However, until Occidental's position in Libya is more firmly established, we would not wish to pick up the tab for his salary and expenses. I believe that our position will be defined after our proposed meetings in Libya toward the end of next month. I don't know what your proposed timing is in regards to this man, but if it can be delayed until after that time, it would appear to warrant our serious consideration.

PLAINTIFF'S EXHIBIT 56

I would appreciate a copy of the new 1 to 500,000 Libya base map which your draftsman has just prepared in conjunction with your work on our project. Thank you.

Jim, it was indeed a pleasure working with you and getting to know you during my short stay in Rome, and I am looking forward to returning and affecting a longer-term working relationship between yourself and Occidental. All best regards.

Yours very truly,

Richard H. Vaughan
Vice President - Chief Geologist

OCCIDENTAL PETROLEUM CORPORATION

RHV/jh

PLAINTIFF'S EXHIBIT 57.

November 2, 1964

Dr. Armand Hammer
Occidental Petroleum Corporation
10880 Wilshire Boulevard, Suite 1400
Los Angeles 24, California

Dear Dr. Hammer:

Thank you for your letter of October 27.

I have just returned to Rome from Tripoli, and am happy to report that Dr. Ka'abazi's request that I come to Tripoli had nothing to do with Occidental or any other oil company - during our discussions Occidental's name was not mentioned, nor were those of any of its employees or associates.

You may already know that the results of the elections in Libya were definitely in favor of the conservative group. There was a (usual) scandal with respect to certain aspects of the organization of the elections, but it was turned so neatly to the benefit of the "in" group that one almost suspects that the whole affair was planned.

Dr. Ka'abazi was confirmed as Minister of Petroleum Affairs at the meeting of the Council of Ministers early last week. Apparently he has the blessing of the conservative group.

With reference to my having called you instead of Dick Vaughan concerning this trip, it was my impression that Dick wanted to be contacted concerning technical matters. Since the factors which I had assumed would be discussed in Tripoli were ancient history I was not sure that Dick was aware of them, hence tried to contact you for instructions. In the future I shall get in touch with Dick first, if necessary.

The feeling of most of the oil people in Libya appears to be that nothing will be done about new concessions until after the first of the year.

Best regards,

James E. Lawler

cc: Mr. Vaughan

1790a

PLAINTIFF'S EXHIBIT 58.

JAMES E. LAWLER

VIA CAMPANIA 31, INT.4

CABLE: LAWLER ROME ROME, ITALY TEL. 470 973

November 2, 1964

Mr. Richard H. Vaughan
Occidental Petroleum Corporation
5000 Stockdale Highway
Bakersfield, California

Dear Dick:

Thanks for your telegram of Oct. 26 and letter of the 27th; both arrived after I had left Rome for Tripoli.

I believe the enclosed letter to Dr. Hammer answers your questions about my meetings with Dr. Ka'abazi. The only way in which I might have connected them with Occidental was that once when we left his office rather abruptly the door-knob almost hit Mohammed Garushi in the ear.

Concerning the draftsman, I'm sure it wouldn't be possible for him to get here for a month or two, even if he were told to come immediately. I have written him to ask under what conditions he might move to Rome, but, as yet, have had no answer.

The base map we have built for your study is 1:250,000. While I was gone the draftsmen were to have checked the map, the one who did the drafting reading off the coordinates and the other checking his work. However, I noticed this morning that on their work map they have M1-82 in Concession 6, so will not get a copy for you until I see them this afternoon and talk with them.

Esso has had 6 new discoveries during the past month, and from something one of their geologists said I suspect that they have something interesting in GG1-6, just north of the 59b release.

During my week in Libya I made arrangements to reinstate the flow of data. Picked up 4 e-logs pertinent to the study plus 25 new sets of tops. Also, have just received a copy of the first test strip of the gravity study; looks interesting, but haven't had time yet to compare it with a structure map. Century will charge me about $4000 for having computed this work; somehow, I'll have to retrieve that amount.

Will be looking forward to your return to Rome soon. Please keep me informed.

Best regards,

James E. Lawler

cc: Dr. Hammer

PLAINTIFF'S EXHIBIT 63.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD, SUITE 1460
LOS ANGELES, CALIFORNIA 90024

879-0110 · 477-3724

November 25, 1964

Mr. Pierre Frottier
30 Boulevard du Regent
Brussels, Belgium

Dear Mr. Frottier:

With reference to the conversation I had with Mr. F. Gallic in London on November 22, 1964, and at his request, please find herebelow agreement between us as follows:

1. This certifies that Mr. Pierre Frottier, 30 Boulevard du Regent, Brussels, Belgium, shall employ his best efforts to enable Occidental Petroleum Corporation, Los Angeles, California, to obtain two oil and gas concessions from Libya.

2. These two oil and gas concessions will be one oil and gas concession at Occidental's option and one additional oil and gas concession from any other area, subject to Occidental's approval.

3. In consideration of services rendered by Mr. Pierre Frottier to Occidental, and if same are successful, Occidental will grant Mr. Pierre Frottier an over-riding royalty measured by three percent of gross income derived from the sale of crude oil produced from the concessions granted to date acquired by Occidental.

4. Occidental agrees that, upon the granting and official registration of the concessions, it will purchase the over-riding royalties for the sum of U.S. Dollars one million (U.S.$1,000,000) for the concessions as set forth under paragraph 2.

5. Messrs. Allen and Company, 30 Broad Street, New York, investment bankers, or another banking group selected by Occidental, will issue a letter to Mr. Pierre Frottier confirming that the payment of U.S. Dollars one million (U.S.$1,000,000) will be made to Mr. Pierre Frottier upon the granting and official registration of the concessions.

PLF. EX. 130
DATE 8 Aug 68
Bar Ass'n Reporting Service

PLAINTIFF'S EXHIBIT 63

6. If, within a time period of 45 days as of the date of this letter, the two oil and gas concessions are not formally granted to Occidental as set forth under clause number 2, this letter and all its provisos become automatically null and void.

Signed and Approved

Mr. Pierre Frottier

Signed and Approved on behalf of

OCCIDENTAL PETROLEUM CORPORATION

Armand Hammer

Dr. Armand Hammer
President

AH/jp

PLAINTIFF'S EXHIBIT 64.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD, SUITE 1460
LOS ANGELES, CALIFORNIA 90024
•
879-0110 - 477-3724

November 25, 1964

Mr. F. Gallic
41 Rue Spontini
Paris 16eme, France

Dear Mr. Gallic:

Further to our conversations held in London on November 22, 1964, I herewith confirm the agreement between us as follows in consideration of services to be rendered enabling Occidental Petroleum Corporation, Los Angeles, California, to obtain oil and gas concessions in Libya under conditions acceptable to Occidental:

1. You will be entitled to a carried interest of four percent based on the proceeds of the sale deriving from the crude petroleum.

2. If, for any reason, Occidental does not acquire oil and gas concessions in Libya as the result of your intervention, Occidental will be free from any obligation whatsoever towards you.

3. It is clearly understood that this agreement is both non-transferable and non-assignable except with Occidental's specific written approval to this effect.

4. It is understood that you commit yourself within the framework of this agreement to abstain from negotiating with any other party for oil and gas concessions in Libya during the term of this agreement with the sole exception of the agreement between us as per my letter to you from London of September 18, 1964.

5. It is clearly understood that my today's letter to you with all its provisos is concomitant and linked with my today's letter to Mr. Pierre Frottier, 30 Boulevard Du Regent, Brussels, Belgium, of which please find herewith copy enclosed.

Signed and Approved by

Mr. F. Gallic

Signed and Approved on behalf of

OCCIDENTAL PETROLEUM CORPORATION

Armand Hammer

Dr. Armand Hammer
President

AH/jp
Enclosure

Draft EXH 6-10 FOR ID.
7/19/69 DAVID J. FELDMAN, C.S.R.

PLAINTIFF'S EXHIBIT 65.

TAHER OGBI
P. O. Box 657
TRIPOLI LIBIA

28th November 1964

Dear Mr. Galic,

This is to advise you that an exchange of cables between Mr. Brenner and myself was effected since the middle of this week, relative to the next visit to Tripoli.

The cables in question have just been confirmed by my today's letter to Mr. Brenner in which I explained that it is recommendable that such visit be postponed until 11th December due to the fact that our main friend will be absent from this Country during the ensuing period.

This delay is certainly regretted, on the other hand - as I wrote to Mr. Brenner - it cannot be helped; consequently, I shall be looking forward to meet you again during the first fortnight of December together with our mutual friends, until then, with all my best personal regards which I would ask you kindly to convey to your charming Mrs. Galic,

I remain,
Yours Sincerely,

Mr. F. Galic
41, Rue Spontini
P a r i s, XVIe

PLF EXH G-19 FOR ID.
7/7/69 DAVID J. FELDMAN, C.S.R.

1795a

PLAINTIFF'S EXHIBIT 66.

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

December 2, 1964

Mr. Charles ALLEN

30, Broad Street

NEW YORK, N.Y.

Dear Charlie,

I took another contact in LIBYA and, as things develop now, I feel that we will be successful on both sides.

The trip to LIBYA has been postponed until December 11 or 12, and as soon as I will be back, I will inform you of the result, as I will rather not send cables from LIBYA concerning oil.

I was negotiating to purchase a bank in Greece, but the MIDLAND MARINE BANK made the purchase at the very last minute, they paid $500.000 more than I would have.

I think you know these bankers very well and I regret that I did not talk to you about it before,we might have made a very good operation, as there are exceptional possibilities and, if they know about them, they will become the biggest bankers of the country and dispose of cash money to help industry and commerce and they might dominate the market very shortly.

As I learnt from my friend, Dr. HAMMER plans to sell the concessions. Do you know anything about it ? If that is so, the percentage I asked for is too small, otherwise I would have taken 30-40%.

... /

Depo Exh 2 for ID
12/1/67

PLAINTIFF'S EXHIBIT 66

I am supporting all the expenses for everybody from PARIS to TRIPOLI and in TRIPOLI, and life is very expensive in LIBYA.

Anyway, I hope that the success will arrange things.

With kindest regards

Fred

PLAINTIFF'S EXHIBIT 67.

December 9, 1964

Dr. Armand Hammer
Occidental Petroleum Corp.
10889 Wilshire Blvd.
Los Angeles, Calif.

Dear Armand:

Welcome home! I hope that you and Frances had a pleasant trip.

We are in receipt of a letter from Ferdinand Galic in which he states - "I am supporting all the expenses for everybody from Paris to Tripoli and in Tripoli, and living is very expensive in Libya."

As per our agreement we are prepared to pay our 25% of the expenses whenever they are presented and will mutually, with your good self, approve or disapprove the various items.

With kindest personal regards, I am

Sincerely,

HERBERT ALLEN

gc

PLAINTIFF'S EXHIBIT 68.

DOMESTIC SERVICE
Check the class of service desired, otherwise this message will be sent as a fast telegram
TELEGRAM
DAY LETTER
NIGHT LETTER

$
S
E

WESTERN UNION
TELEGRAM

1213 (7-58)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE
Check the class of service desired, otherwise the message will be sent at the full rate
FULL RATE
LETTER TELEGRAM
SHORE SHIP

NO. WDS.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

December 19

To Public

Street and No. 41 Rue Spontini

Care of or Apt. No. Destination Paris, France

Reference my letter addressed to Mister Frottier 30 boulevard Du [illegible] Brussels Belgium dated November twenty-fifth 1964 stop. Herewith confirming extension validity for additional foty-five days thus until February twenty-fourth 1965. Regards

49

Armand Hammer

Sender's name and address (For reference)

Sender's telephone number

1799a

PLAINTIFF'S EXHIBIT 69.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES 879-0110 · 477-3724

December 17, 196

OFFICE OF THE PRESIDENT

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York, New York

Dear Herbert:

Thank you for your nice letter of December 8th.

With regard to Ferdinand Gallic's expenses, as we are paying our own expenses, including the cost of our Paris representative, Mr. Theodore Brenner, and our geologist, Mr. Richard Vaughan, and others, I think Mr. Gallic should pay his own until such time as we know whether he is going to deliver or not.

With best regards,

Sincerely yours,

Armand Hammer, President

AH:dp

PLAINTIFF'S EXHIBIT 70.

Dft. Ex. 12A
6/27/69

December 17, 1964

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York, New York

Dear Herbert:

Confirming our recent conversation regarding possible concessions in Libya, we agree to the same arrangements with you on the possible second concessions as on the first concessions, namely, Occidental will share on the basis of 75% for us and 25% for you on anything Ferdinand Gallic turns up. This includes sharing costs and profits.

If the above is satisfactory, please sign and return the enclosed copy.

With best regards,

Sincerely yours,

Occidental Petroleum Corporation

Armand Hammer, President

AH:dp

The above is agreed to.

Allen & Company

1801a

PLAINTIFF'S EXHIBIT 71.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES: 879-0110 · 477-3724

December 17, 1964

OFFICE OF THE PRESIDENT

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York, New York

Dear Herbert:

Confirming our recent conversation regarding possible concessions in Libya, we agree to the same arrangements with you on the possible second concessions as on the first concessions, namely, Occidental will share on the basis of 75% for us and 25% for you on anything Ferdinand Gallic turns up. This includes sharing costs and profits. To Be mutually agreed upon Ha.

If the above is satisfactory, please sign and return the enclosed copy.

With best regards,

Sincerely yours,

Occidental Petroleum Corporation

Armand Hammer

Armand Hammer, President

AH:dp

The above is agreed to.

Allen & Company

Allen

1802a

PLAINTIFF'S EXHIBIT 72.

REGISTERED NO. 346615

Value $ [illegible] Spec. del'y fee $

Fee $ .60 Ret. receipt fee $ .10

Surcharge $ Rest. del'y fee $

Postage $ .8 ☐ Airmail

POSTMARK 24 1964 USPO

Postmaster, By

From

To A Hammer
10889 Wilshire Blvd
Los Angeles Calif

POD Form 3806—Oct. 1960 649—16—70693-5

Dept 29B Qn

MEMORANDUM

To: Dr. Armand Hammer Date 12/24/64

From: Mr. Herbert Allen

Postage .8
Registered .60
Return Rec. .10
1.78

Dept 29A Qn
12/15/67 Qn

1803a

PLAINTIFF'S EXHIBIT 72

December 24, 1964

Dr. Armand Hammer, President
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles 24, Calif.

Dear Armand:

I am returning herewith your letter of December 17th in duplicate with just one major change and that is, that the cost should be "to be mutually agreed upon", and I have initialled same.

If there is no disagreement in this matter will you be kind enough to send me an initialled copy for my files.

With kindest personal regards, I am

Sincerely,

HERBERT ALLEN

gc

enc

Rog
ERA

DEFT'S EX 29 M
12/5/67

1804a

PLAINTIFF'S EXHIBIT 73.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1460
LOS ANGELES 24, CALIFORNIA
PHONES 879-0110 · 477-3724

December 28, 1964

OFFICE OF THE PRESIDENT

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York, New York

Dear Herbert:

Enclosed is the original signed copy of my letter of December 17th regarding possible concessions in Libya, which I have initialed.

With best regards,

Sincerely yours,

Armand Hammer, President

AH:dp

Encl.

Dept's Ex 309
12/5/67

PLAINTIFF'S EXHIBIT 74.

12

DOMESTIC SERVICE
Check the class of service desired, otherwise this message will be sent as a fast telegram
TELEGRAM
DAY LETTER
NIGHT LETTER

S S E

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1206 (1-55)

INTERNATIONAL SERVICE
Check the class of service desired, otherwise the message will be sent at the full rate
FULL RATE
LETTER TELEGRAM
SHORE-SHIP

NO. WDS.	CL. OF SVC.	PD. OR COLL.	CHARGE TO THE ACCOUNT OF	TIME FILED
			33	INTL (LT)

Send the following message, subject to the terms on back hereof, which are hereby agreed to

LT PIERRE FROTTIER
30 BOULEVARD DU REGENT

879-1700

BRUSSELS (BELGIUM VIA RCA)

REFERRING OUR LETTER AGREEMENT NOVEMBER 25 THIS WILL EXTEND TIME PERIOD CONTAINED IN PARAGRAPH SIX UP TO AND INCLUDING FEBRUARY 25 1965

HAMMER OXYPETE
LOSANGELES

P.F. DEPT. EX # 48 FOR ID.
DATE Feb. 68
Reporter's Service

DD CFN FURN
OCCIDENTAL PETROLEUM CORP 10889 WILSHIRE BLV LOSA SUITE 1500

3

1806a

PLAINTIFF'S EXHIBIT 77.

FERDINAND GALIC

Paris, January 21st., 1965.

Dr. HAMMER
International Ore and Fertilizer Corporation
500, Fifth Avenue

NEW YORK 1036

- U.S.A. -

Dear Dr. Hammer,

I am enclosing a photostat copy of the European Chemical News in which you will see an article concerning Pont-Brulé. As you will realize with the deal I proposed to you, you could have had a 100 % profit in 3 to 6 months. I am so sorry you did not take advantage of this especially as there was a chance of making such a big profit without any investment. I mean to say, that after selling all the unnecessary factory assets, the factory itself would have been left and it would not have cost over a US dollar.

I hope that the next time such an occasion arises, your collaboration will be quicker.

In Libya, our affairs seem to be doing well. The letter which I asked you to send me and which I must show Mr. OGBY I have not received yet.

I need another letter confirming that I am to receive $ 1.000.000 for every concession, which I have to give to the last contact, the Royal Family and 4 % for myself. This letter I will have to show upon my arrival in Tripoli.

I hope that you will send me both letters immediately as I am waiting for a telegram to fly to Rome to pick up you people before I go to Tripoli. I also hope that you have prepared all the letters in duplicate.

PLF. EX # 77
DEFT.
DATE 6 May 1965 CJ

Very sincerely yours,

F. GALIC

Company Finance—*continued from page 9*

Hoechst reports unprecedented expansion in all sectors

AN unprecedented expansion, spread over all sectors of the business, has been announced by Farbwerke Hoechst for 1964. Turnover was about DM 600 m. up (an increase of about 16 per cent) on 1963.

Making this announcement, Professor Karl Winnacker, chairman of the board, said that expansion of this kind had never before been achieved in the 100-year-old history of the company. Similar rates of growth had occurred in inland and export markets and in the foreign branches of production.

These last branches had contributed about 10 per cent to world turnover, more than DM 4 300 m. in 1964. The foreign activities of the company reached about DM 1 800 m. with all the exports put together.

In 1963, world turnover was DM 3 740 m., an 8·2 per cent increase over that of 1962 (DM 3 460 m.).

In April, Hoechst's management expected a 10 per cent rise in sales for the whole group this last year. It is now clear that this percentage has been surpassed by a considerable extent.

The total number of employees has risen in this period by about 1 300, or 2·4 per cent, with a consequent increase in productivity.

Unichima's capital now F 8 m.

THE capital of Usines Chimiques de la Marne (Unichima) has risen to a total of F 8 m. This has been achieved, firstly, by increasing the former F 5·6 m. capital to F 6 m. through the incorporation of reserves; and, secondly, by creating 20 000 new shares of F 100 each. These have been subscribed by Persil GmbH in exchange for a F 2 m. debt.

Unichima is established at Châlons-sur-Marne and makes industrial detergents.

TESSENDERLOO BUYS INTO PONT BRULE

A LARGE interest has been taken in Sté Anonyme de Pont Brûlé by the group Produits Chimiques de Tessenderloo and Potasses d'Alsace. This interest represents more than 75 per cent of Pont Brûlé's B.Fr. 380 m. capital, and is of particular significance, in that Pont Brûlé's plant, valued at B.Fr. 470 m. in the 1963 balance sheet, is actually reckoned at B.Fr 950 m.

The remaining interest is retained by Pont Brûlé's founder, the Duché group.

Sté de Pont Brûlé has had some difficulty in servicing its capital for some years. Pursuing nonetheless a dividends policy which the real situation seemingly could not justify, it even went to the point of revaluing some of its assets in order, firstly, to depreciate them by the same amount and, secondly, to distribute B.Fr. 7 m. in dividends and directors' fees.

Pont Brûlé's activities are complementary to those of Produits Chimiques de Tessenderloo. Founded in 1910, its factories are at Vilvorde, near Brussels, and cover 55 hectares (136 acres). They produce sulphuric and hydrochloric acid; superphosphates; bicalcium phosphate and trisodium phosphate; sodium sulphate; carbon disulphide and compound fertilizers. There is also a plant producing bone glue and gelatine.

Figures in B.Fr. '000s

Period ending December 31, 1963	
Gross trading profit	20 609
Dividends received	3 475
Revaluation:	
Portfolio	17 050
Land	32 188
Less:	
Taxes	15 400
Depreciation	49 803
Net profit	8 119
b/f 1963	1 234
Distributed as follows:	
Legal reserve	0 406
Gross dividend	6 236
[illegible]	0 771

DM 20 m. raised by Titangesellschaft

THE capital of Titangesellschaft mbH of Leverkusen has risen by DM 20 m. to DM 100 m. This is 10 times the amount of capital the company possessed in 1959. The company, fully controlled by National Lead Company of New York, is one of the leading producers of titanium dioxide in Germany. Its 85 000 ton/year production capacity accounts for more than [illegible] of the total capacity of the country.

The products are sold inside and outside Germany under the trade name Kronos. This is also the registered mark of Dérivés du Titane SA, Langerbrugge, Belgium, and of Titan Co. AS, Fredrikstad, Norway, the two other [illegible]

HAGEDORN'S PROFIT MARGINS CUT

Results for the year ended August, 1964: turnover DM 21·21 m. (DM 20·85 m.); taxes on income and certain assets DM 0·17 m. (DM 0·20 m.); dividend 8 per cent (unchanged).

THE semi-finished plastic goods manufacturers, A. Hagedorn and Co. AG of Osnabrück, faced considerable price pressure for their products in 1963-64.

Quantitatively, the increase in turnover was higher than the DM increase shown above. The company had to spend DM 12·42 m. (DM 12·13 m.) for raw materials and DM 4·81 m. (DM 4·54 m.) in wages and salaries. Investments amounted to DM 0·64 m. (DM 0·58 m.), and depreciation to DM 0·66 m. (DM 0·62 m.).

Net profit remained at DM 0·13 m., and dividend on the capital of DM 1·5 m. at 8 per cent.

The lower income tax may be taken as an indication of lower profit margins.

Prod. Chim. Shell's exports shoot up

EXPORTS by Cie Française des Produits Chimiques Shell during 1964 reached 50 000 tons, an increase of nearly 70 per cent over those of 1963. Both sales and turnover were better, too. It will be recalled that turnover in 1963 was 27 per cent up on 1962.

New Berre Plant

At the end of this year an installation making additives for lubricants will come on stream at Berre. It will supply as much as all the present companies within the group supply at present to the French market.

Important investments have also been made in plant making solvents, particularly those concerned in the distillation of finished products. This will permit both an increase in the production capacity of propylene and butylene derivative solvents, and an improvement in their quality.

Ceramica Pozzi may double capital

A RIGHTS issue is expected to be authorized soon by an extraordinary meeting of Manifattura Ceramica Pozzi SpA of Milan, doubling the company's present capital of L 10 500 m. The extra cash is needed mainly for the new, L 28 000 m. complex at Ferrandina, scheduled to come on stream this year.

The complex will produce, yearly, 45 000 tons of PVC; 30 000 tons of caustic soda; 40 000 tons of methanol; 30 000 tons of formaldehyde; 28 000 tons of chlorine; and 22 000 tons of acetylene.

PLAINTIFF'S EXHIBIT 79.

FERDINAND GALIC
41, Rue Spontini
PARIS 16°

January 22, 1965.

Mr. Charles ALLEN
30, Broad Street
NEW YORK, N.Y.

Dear Charles,

I send you enclosed herewith, copy of my letter to Dr. HAMMER.

According to the news I received to-day, I hope that we will have good results in a very short time.

My best Regards !

Ferd

DEFT'S EX 34 for ID
12/5/67 CG

PLAINTIFF'S EXHIBIT 79

41, Rue Spontini

PARIS 16e

January 22, 1965

Dr. Armand HAMMER
International Ore and
Fertilizer Corporation

500, Fifth Avenue

NEW YORK, N.Y.

My dear Dr. HAMMER,

Following our telephone conversation of to-day, I am herewith enclosing a form of a letter from you to me I must have to show to our new contact, company or party of the Royal family.

You suggested wiring or writing directly to the persons concerned once I sent you the names. Unfortunately extreme caution must be taken as all public services are checked and our competitors may take advantage of this fact.

The letter I must have from you state the same conditions as addressed to Mr. P.FROTTIER, my name replacing his, of course, and should be val through March 31.

I have, however, added a seventh paragraph so as to render transferable the agreements you address to me to our new contact, as follows :

" 7e Paragraph.

Mr. Ferdinand GALIC may transfer as he sees fit the above conditions to a third party. "

May I also ask you for a second letter, this for my personal files, assuring me four per cent of the gross.

Yours faithfully

1810a

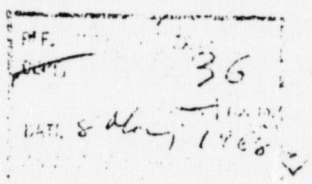
PLAINTIFF'S EXHIBIT 80.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRVIEW 7-7351

February 15, 1965
Tripoli, Libya

Mr. Taher Ogbi
P. O. Box 657
Tripoli, Libya



Dear Mr. Ogbi:

We refer herewith to the pleasant and profitable meeting we had in your offices Saturday morning in connection with matters of mutual interest presently under study. We were pleased to note, once more, your confidence in our ultimate success and the imminence of same.

We wish to confirm that we propose to work exclusively through you and your channels in this endeavor. As a result we naturally expect an exclusive effort for our account on your part and your agreement that you will represent our interests to the exclusion of those of any other group. We further expect through your efforts to obtain the maximum possible number of selections that we shall so finally designate, but not less than three. It is understood that our reciprocal exclusiveness also covers any endeavor related to the fertilizer industry.

For the sake of clarity and to avoid any possible future misunderstanding we must point out again that any statements or representations regarding subject matters by any entity of any nationality other than by employees of Occidental Petroleum Corporation or its subsidiaries will be without our knowledge and/or consent.

PLAINTIFF'S EXHIBIT 80

[illegible] October 17, 1965 Page 2 of 2.

In addition to the provisions of our letter agreement of September __, 1964, we herewith confirm our interest in and intention to appoint you and your firm as our representative in Libya on an exclusive basis under terms and conditions to be mutually determined during the next four days. Said representation agreement shall be mutually exclusive and shall be valid for a period of one (1) year as of the date of such agreement or until our company shall establish permanent offices in Libya whichever shall first occur providing that we are successful in obtaining selection of our choice [illegible] above. Should we fail however to obtain such selection we shall have the option to terminate both the letter agreement of September __, 1964, and the proposed representation agreement by registered letter or telegram on ten (10) days notice.

I look forward to a long period of mutually successful association. If the foregoing represents your understanding of our relationship please so indicate below. With best personal regards I remain:

Yours very truly,

Richard H. Vaughan

Richard H. Vaughan
Vice President
Occidental Petroleum Corporation

Agreed and accepted
this __ day of February, 1965

[illegible]
[illegible] Oil

PLAINTIFF'S EXHIBIT 83.

20 JL

February ~~15~~, 1965

James E. Lawler
Via Campania 31
Rome
Italy

Re: Geological Services Contract

Dear Jim:

This letter of agreement will confirm our understanding regarding your services to Occidental Petroleum Corporation, hereinafter known as Occidental.

A. 1) You shall devote your effective services exclusively to our account for the next thirty (30) days.
2) During said thirty-day period you shall prepare to the best of your ability a regional geological study incorporating all available stratigraphic, structural, and other geological and geophysical knowledge in your possession or at your disposal of that portion of Libya bounded by 30° north latitude, 23° east longitude, 28° north latitude, and 19°30' east longitude.
3) The purpose of this study shall be for the selection of petroleum concessions and to this end your principal endeavors shall be directed.
4) Since time is of the essence you shall proceed with all possible haste in keeping with sound professional practice with the objective in mind.
5) The results of this study shall be for Occidental's exclusive use and shall not be divulged by you to any other party for a period of ninety (90) days after said study is completed and a written report and appropriate maps furnished to the company in duplicate. One copy of each map shall be an original reproducible copy.
6) You shall provide us at the moment of the signing of this agreement with one copy of your most recent 1:1,000,000 regional geological and/or geophysical structural and stratigraphic maps as follows:

a) Areal Geology of the Paleozoic and Interpretive Structural Contours of the Top of the Paleozoic,
b) Interpretive Isopachous Contours, Thickness of the Cretaceous,
c) Interpretive Contours of the Top of the Cretaceous,
d) Interpretive Isopachous Contours, Thickness of the Paleocene, and
e) Interpretive Contours of the Top of the Paleocene.

PLF. DEF. EX # 37 ADMTD FOR ID.
DATE 8 Dec 1968
Bar Ass'n Reporting Service

PLAINTIFF'S EXHIBIT 83.

A second copy of these maps will be furnished to Mr. C. J. Blom next week, the extra drafting and reproduction cost for which shall be borne by Occidental, a cost of $70.00

These maps will be held in confidence by Occidental.

7) You shall additionally advise us of any area outside of that described in paragraph 2) above which shall in your opinion hold sufficient merit to warrant our attempted acquisition in the forthcoming granting of concessions in Libya.
8) Your fee for such services as set forth above shall be four thousand dollars ($4000.00). Within ten days of this date Occidental will deposit one-half of that amount to your account, c/o Mr. Paul Bell, Vice President, 1st National Bank in Dallas, Dallas, Texas.

B. 1) Following the initial one-month period, should concessions not have been granted in Libya under the terms of its existing Petroleum Law to Occidental of Libya, Inc., then Occidental shall have the option of retaining your services on a monthly basis from month to month during which time you shall devote approximately one-half of your time and efforts to whatever technical projects or studies Occidental shall designate. Ten days advance notice of intent to renew or discontinue this monthly arrangement will be given you by Occidental.
2) Your remuneration for such services shall be at the rate of one thousand dollars ($1000.00) per month.

C. 1) In the event that Occidental of Libya, Inc., should be granted concessions to explore for petroleum in Libya you shall be retained for a period of one (1) year under the terms set forth in paragraph B. above, and shall, by action of the Board of Directors of Occidental Petroleum Corporation at the first regular meeting of the Board thereafter, be granted an option to purchase 2000 shares of the capital stock of Occidental Petroleum Corporation at the closing price on the New York Stock Exchange on that date, said option to remain in effect for a period of three years thereafter.
2) Further, in the event Occidental of Libya, Inc., is granted Libyan petroleum concessions, you shall provide Occidental with one copy of all geological data then in your files pertaining to the area of study mentioned in paragraph A. above. Reproduction of the data will be at Occidental's expense.
3) The study mentioned in paragraph A. above shall, from the date Occidental is granted Libyan petroleum concessions, be held confidential by you for a further period of one year following the granting of the concessions.

PLAINTIFF'S EXHIBIT 83

D. 1) During the period of any of the above-mentioned agreements, any travel or other exceptional expenses incurred by you for Occidental's account and with its authorization shall be reimbursed to you by Occidental. Those expenses include,

a) Draftsmen's time over 8 hours per day at the rate of one dollar ($1.00) per hour,
b) International telephone and telegraph expenses,
c) Exceptional map reproduction expenses such as photographic reproduction of well logs, and
d) Out-of-pocket travel expenses for trips made at Occidental's request.

E. 1) By mutual consent between the two parties the agreement may be extended on a yearly basis.

F. 1) Remuneration by bank check for services and expenses will be mailed within thirty days following receipt of itemized accounts. Checks will be mailed to:

James E. Lawler
c/o Mr. Paul Bell, Vice President
1st National Bank in Dallas
Dallas, Texas

If you are in full agreement with the above, kindly so indicate by signing in the space provided below.

Very truly yours,

Richard H. Vaughan

Richard H. Vaughan
Vice President
Occidental Petroleum Corporation

AGREED: James E. Lawler

James E. Lawler

1815a

PLAINTIFF'S EXHIBIT 87.

RICHARD H. VAUGHAN
1716 COUNTRY CLUB DRIVE
BAKERSFIELD, CALIFORNIA

(VICE PRESIDENT OF OCCIDENTIAL PETROLEUM

March 5, 1965 FAIRVIEW 7-7351

Mr. Ferdinand Galic
41 Rue Spontini
Paris 16, France

Dear Mr. Galic:

This is just a note to thank you for the gracious hospitality of yourself and your wife accorded me during my recent stay in Paris.

In regards to the Libyan project, I found things in a rather confused state of affairs upon my return to Los Angeles. Such resulting largely from understanding and communication problems as I indicated to you would be a very likely result of attempted telephone communications. The indicated delay in the government's call for formal concession bids will be to our advantage as it will allow us to evaluate the alternatives from a more objective point of view.

Please express my best regards to your wife and again, my appreciation for your graciousness. I hope to see you in the not too distant future, and believe that we can pursue to a mutually satisfactory and profitable conclusion our efforts in Libya.

Sincerely yours,

Richard H. Vaughan

PLF EXH. 6-1 FOR ID.
7/26 DAVID J. FELDMAN, C.S.R.

1816a

PLAINTIFF'S EXHIBIT 89.

FERDINAND GALIC
41, Rue Spontini
PARIS 16°

Paris, March 8, 1965.

Mr. Richard H. VAUGHAN
1716 Country Club Drive
BAKERSFIELD, California

Dear Mr. VAUGHAN,

Thank you for your letter of March 5.

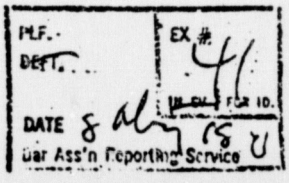
I am just back from TRIPOLI and we have a complete assurance that we will have the concession, but definitely not through OGBI.

We have to do all that is possible to concel the contract with OGBI and to have free hands.

There is not much time left, Dr. HAMMER told me that he plans to be in London beginning of April, and at this opportunity he will ask OGBI to come. We will have a good success to crown our efforts.

I hope to meet you soon and remain

With best Regards



F. Galic

PLAINTIFF'S EXHIBIT 90.

ORIGINAL OF P-14 PLUS ENCLOSURES

FERDINAND GALIC
41, Rue Spontini
PARIS 16°

March 8, 1965

Dr. A. HAMMER, President
OCCIDENTAL PETROLEUM CORPORATION
10889 Wilshire Boulevard Suite 1460
LOS ANGELES
California

PLF. EXH. 64
DEFT. FOR ID.
DATE 8 May 68

Dear Dr. HAMMER,

I am handing you enclosed herewith copy of letter I sent to-day to Mr. OGBI as well as copy of my letter to my bankers by which I ask the draft to be cashed.

Anyhow, I am sorry that you cannot be in Europe at the occasion of the Oil Conference in GENEVA and meet the Minister, so you would be more confident in the result. After our telephone conversation I had the feeling that you are not convinced at 100%. You may believe me, at this moment we have all the top people who decide and the influence of these people is for us.

I hope to see you very soon and if necessary, I will come over to NEW YORK next week, if you stay there two days. So we will be able to arrange together the plan of our definite success and fix our program.

Kindly advise me if you will be in NEW YORK next week.

I am looking forward to hearing from you and remain

Very truly yours

F. Galic

1818a

PLAINTIFF'S EXHIBIT 90

61, Rue Spontini

PARIS 16°

March 8, 1965.

Mr. Taher OGBI
OGBI BROTHERS

P.O.B. 657

TRIPOLI

Dear Mr. OGBI,

When we were in LONDON you asked me for a 10.000$ loan for a three month' period and you gave me a draft covering this amount. It is now 4 1/2 months ago that this credit was given to you. I will calculate a 6% (six) interest until February 28, 1965.

Your draft is deposited at the UNION DE BANQUES SUISSES in ZURICH and will be presented to you for payment by their Libyan correspondant, that is the bankers who handed you the amount.

Would you kindly arrange for this draft to be paid within ten days, plus an additional amount of $ 200,- covering 6% interest on a 4 months' period.

Besides, as far as the oil business is concerned, we agreed with Dr. HAMMER and yourself that the deal would be finished until February.
I do not see any result yet . If Dr. HAMMER agrees to wait, it will be alright with me, but I feel that Dr. HAMMER has obligations towards his Board of Administration until end of March. As you see, he took a month' security.

I hope you will able to obtain a result until the end of this month, otherwise it will be necessary to make a new contract.

Very truly yours

F.T.

PLAINTIFF'S EXHIBIT 90

41, Rue Spontini

PARIS 16°

Paris, den 8. März 1965

UNION DE BANQUES SUISSES

Zürich
Bahnhof Str. 45

z. Hd. von Herrn Dr. EISING.

Sehr geehrte Herren !

Anliegend überreiche ich Ihnen den von Herrn OGBI für $ 10.000,- (zehntausend) unterschriebenen Wechsel, der den Gegenwert der durch Sie an die BANK OF LIBYA am 5.10.64 unter Referenz 3342pi vorgenommenen Überweisung darstellt, mit Bitte um Vorlage zwecks Zahlung durch den Bezogenen.

Des weiteren bitte ich Sie, an Zinsen 6% für 4 Monate (bis Ende Februar) zu kassieren.

Ihnen für Ihre Bemühungen im voraus dankend, begrüsse ich Sie

Hochachtungsvoll

1820a

PLAINTIFF'S EXHIBIT 90

[redacted] GALIC

41, Rue Spontini

PARIS 16°

[redacted] 11-12

Paris, den 8. März 1965

UNION DE BANQUES SUISSES

Zürich
Bahnhof Str. 45

z. Hd. von Herrn Dr. [redacted]

Sehr geehrte Herren !

Anliegend überreiche ich Ihnen den von Herrn OGBI für $ 10.000,- (zehntausend) unterschriebenen Wechsel, der den Gegenwert der durch Sie an die BANK OF LIBYA am 5.10.64 unter Referenz 3342pi vorgenommenen Überweisung darstellt, mit Bitte um Vorlage zwecks Zahlung durch den Bezogenen.

Des weiteren bitte ich Sie, an Zinsen 6% für 4 Monate (bis Ende Februar) zu kassieren.

Ihnen für Ihre Bemühungen im voraus dankend, begrüsse ich Sie

Hochachtungsvoll

PLAINTIFF'S EXHIBIT 90

06881 * 10 March 1965 11-12

FERDINAND GALIC
41, Rue Spontini
PARIS 16e

Paris, March 8, 1965

UNION BANK OF SWITZERLAND

Zurich
Bahnhof Str. 45

to the attention of Dr. Imsing

Gentlemen!

I am transmitting to you herewith draft signed by Mr. OGBI for ten thousand ($10,000) Dollars representing the amount corresponding to the transfer made by you on October 5, 1964 to the Bank of Libya under reference no. 3342 pi, with the request that you present it for payment to the drawee.

Furthermore, I ask you to collect interest of 6% for four months (until the end of February).

Thanking you in advance for your trouble I send you my regards.

Yours very truly,

s/ F. Galic

1822a

PLAINTIFF'S EXHIBIT 97.

Defts Ex 294
12-4-67

ALLEN & COMPANY
Established 1922
30 Broad Street, New York, N.Y. 10004

March 16, 1965

Dr. Armand Hammer
Occidental Petroleum Corp.
10389 Wilshire Blvd.
Los Angeles 24, Calif.

Dear Armand:

The enclosed just came to my attention and I thought you should know about it immediately.

With kindest personal regards,

I am

Sincerely,

HERBERT ALLEN

gc

enc.

PLAINTIFF'S EXHIBIT 97

KLEHE & CO

Memorandum de: Klehe & Co

à: Mr. Marvyn Carton

March 12th, 1965

Enclosed, text of the note of information regarding Mr. Pégulu alias " General de Rovin ", and copy of the telegram sent to him on March 8th in agreement with Mr. Charles Torem,

AM/gm

1824a

PLAINTIFF'S EXHIBIT 97

KLEHE & CO

Memorandum de:

à:

March 9th, 1965

Summary of Miscellaneous Information

on one "General de Rovin"

The individual who is presently operating in Libya under the name of "General de Rovin" is neither a general nor is his name "de Rovin". His real name is :

PEGULU François Fortuné Louis

and it is worth noting that the initials of his first and middle names are F.F.L., the same os those of Forces Françaises Libres (the Free French Forces).

In the course of a very adventurous life, he has had several pseudonyms and titles and is known by the French Security Agency as well as by the French Police under the following names :

Pégulu de Rovin
Comte Pégulu de Rovin
Vicomte de Rovin
Comte Armand de la Rochefoucauld
Assolant (airplane pilote)

F.F.L. Pegulu is of French nationality
Born on August 2nd, 1901, in Grenada (Spain)
Lives in Paris since 1960
He has two brothers:

Jean, born in Paris in 1903, Industrialist
Arrested as collaborationist.

Raoul, born in 1896 in Cadiz (Spain). Industrialist
Known as a collaborationist.

PLAINTIFF'S EXHIBIT 97

Pre-War

From 1926 to 1935, while in the real estate business, F.F.L. Pégulu committed big swindles in Berlin, Tangier, Alicante, Vienna, Lausanne, etc. He lived by his wits, numerous counterfeits, many crooked deals in the gambling world, and the passing of bad checks.

In 1934, he became a car salesman. On December 13th, 1935, he was sentenced to three years in jail and ten years of local banishment by the Court of Appeal of Paris. He was also sentenced in Vienna and Lausanne.

During the War

In October 1940, he bought a garage in Agen. He was adjudged bankrupt on February 23rd, 1946. At the same time, he committed numerous unlawful deals. He was a middle man in the buying of rails and non ferrous metals. He dealt in black market. Was put in jail from 24 November 1941 to 26 February 1942.

On June 14th, 1944, a new decree from the prefect could not be carried out because the Germans considered this man necessary to their war production.

In 1943, he became interested in the press and created three newspapers: "l'Independant d'Agen", "l'Elite" and "le Petit Méridional de Montpellier".

Immediately after the Liberation and because he was known as a Gestapo agent, he was the object of a warrant of arrest. But as he had skillfully made some friends in the Resistance a few months before the Liberation, he managed to make himself call, at the beginning of 1945, a 1st class Chief Engineer in the Gunpowder Services, and a reserve officer with the rank of Lieutenant-Colonel.

Pursuant to this illegally acquired promotion, Pégulu was arrested on March 26th, 1945, and prosecuted before the Military Court for embezzlement, forgery, unlawful wearing of uniform and unauthorized assumption of rank (as regards this case, the charge was dismissed in 1946, under the amnesty law of April 16th, 1946).

Detained in the Cherche-Midi prison and later in the Val-de-Grâce hospital, he escaped on April 26th, 1956.

PLAINTIFF'S EXHIBIT 97

For dealings with the enemy, he was sentenced to death in abstentia on June 19th, 1946, by the Court of Justice of the Department of Lot-et-Garonne. On May 17th, 1961, the Military Court of Bordeaux pronouncing a judgment after full argument on both sides, acquitted the individual involved.

After the War

From April 1946 to 1957, Pégulu lived abroad (Canada, Spain, Portugal, South America, etc.), living by his wits, passing bad checks, among others.

In July 1955, he managed to obtain a passeport under the assumed name of "de Rovin", by the French Consulate in Rosario (Argentina). This passeport having been granted to him in error, the individual concerned was the object, in May 1956, of a general circular issued by the Ministry of Foreign Affairs and sent to all French diplomatic and consular agents abroad in view of withdrawing this passeport.

In this circular, Pégulu is described as follows: "This individual, subject to a warrant of arrest issued March 15th, 1945, was sentenced to death in abstentia for treason and several other crimes; he has committed swindles in France and various other countries in Europe and America.

Since his return to France in 1957, Pégulu, who claims to be a civil engineer, continues his very shady business practices.

On July 1st, 1960, he succeeded to the position of assistant Director and General Manager of the Paul Bernard Company, with the responsability of re-establishing the failing company. After several weeks, he squandered the capital, causing the stoppage of payments. He was dismissed on November 18th, 1960.

For these reasons, many civil claims have been filed against him. At present, Mr. Pierre Seguy, investigating magistrate, is investigating a charge for the breaking of corporate laws. A preliminary investigation by the Financial Investigators of the Paris Police Headquarters has confirmed the heavy charges against this individual.

In the financial world where he has been known for passing bad checks again in 1960, Pégulu has no credit standing.

PLAINTIFF'S EXHIBIT 99.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRVIEW 7-7351

March 25, 1965

Ogbi Brothers
P. O. Box 657
Tripoli, Libya

Dear Sirs:

Regarding our proposal to the Minister of Industry, we note that there are several changes from the original English version written by Messrs. Vaughan and Brenner in this more recent version which I have brought back here to Bakersfield. Mr. Vaughan was concerned about some of these changes and wanted to make sure that both the English and Arabic text had the same context. In order to do this, we would appreciate it if you would send us your Arabic language version of the proposal to the Minister. We have someone here in California who is competent in reading and writing Arabic. This translator will work with Mr. Vaughan to make sure that the English language version agrees quite closely with your Arabic text. Therefore, we would appreciate it if you would send us a typewritten copy of your text.

I delivered your letter to Mr. Vaughan and he in turn discussed this with Dr. Hammer. Dr. Hammer will be dealing with the problem in the near future.

We were very interested to read in the New York Times that Prime Minister Muntasser has resigned because of ill health, and that Mr. Mustk has accepted that position now. We wonder how this change may effect our program in Libya and what changes in timing it may bring about.

Enclosed you will find a copy of the receipt and the registration statement by the Libyan Chamber of Commerce which I had promised to send you.

After you have visited the legal advisor of the Ministry on the 26th, would you please get from him a written statement on Petroleum Ministry stationery saying that Occidental of Libya, Inc. is now, and in the future, legally able to file for and to be awarded petroleum concessions in Libya.

PLAINTIFF'S EXHIBIT 99

It was very kind of you to find the hotel space in crowded Tripoli on such short notice last week, and I certainly appreciate your expediting my business there.

Sincerely,

OCCIDENTAL PETROLEUM CORPORATION

C. James Blom

CJBmr
Enclosures

AIR MAIL

1829a

PLAINTIFF'S EXHIBIT 100.



116

M.S.GANA
26 MAR65

ZCZC AGQ1396 GWB2765 UR1934 BEA193 CE

LDTR CC URNX 024

BAKERSFIELDCALIF 24 25 315PPST

0345

JAMES E LAWLER LYBIA PALACE HOTEL TRIPOLILIBYA

YOU HAVE NO AUTHORITY VIA DOCTOR TO APPROCH BLUE FOUR

CALL ME FROM ROME ON RETURN

VON

COL E VON

1830a

PLAINTIFF'S EXHIBIT 101.

JAMES E. LAWLER

VIA CAMPANIA 51, INT 4
ROME, ITALY

CABLE: LAWLER ROME

TEL. 479-073

March 29, 1965

Mr. R. H. Vaughan
Occidental Petroleum Corporation
5000 Stockdale Highway
Bakersfield, California

Personal and Confidential

Dear Dick:

Saturday evening I talked with Dr. Hammer to tell him that it appears that some further political maneuvers will have to be completed before the Libyan picture is perfectly clear. They may involve changes in the Ministry of Petroleum.

Dr. Hammer then said he'd not answer my letter in which I suggested terms under which I might work for Occidental in the future. Since my letter was also concerned with the geological work I presume you will let me know soon to what extent you wish me to continue, and in the meantime I'll go all-out to get as much data as possible compiled as quickly as possible.

In Tripoli I picked up the following data, which you might want to tick off on your check list:

Z 1 - 6 E-log and lith log
AA 1 - 6 E-log and lith log
J 1 - 59 E-log
A 8 - 59 E-log
Q 1 - 59 E-log
E 1 - 59 E-log and lith log
G 1 - 12 E-log
K 1a- 13 E-log

T 1 - 59 5 tops
P 5 - 59 12 "
LL 1 - 59 6 "
MM 1 - 59 4 "
RR 1 - 59 12 "
SS 1 - 59 5 "
TT 1 - 59 12 "
UU 1 - 59 11 "
ZZ 1 - 59 5 "
DDD 1 - 59 21 "
EEE 1 - 59 6 "
MMM 1 - 59 5 "
EE 4 - 59 9 "
U 2 - 59 9 "
Tops below Maestrichtian in all wells in the U, EE, BB and GGG area (Kalansho field)

EE 1 - 6 13 tops
HH 1 - 6 13 tops
J 1 - 12 13 tops
E 1 - 51 8 tops

F 1 - 51 8 "
X 1 - 71 7 "
L 1 - 71 4 "
GG 1 - 6 and two or three others promised

1831a

PLAINTIFF'S EXHIBIT 101

Upon my arrival in Tripoli I was told that one of the Ministeries was picking up copies of all your and Ogbi's cables to and from Libya. I went to warn Ogbi of the fact and was able to convince him since I quoted the code he is using for another transaction. I knew at the time that there would be a new head of the royal cabinet, but he did not, so he went on and on about how good a position he was in. He invited me to dinner on Wednesday - the news was broadcast at 5:30 that evening - and immediately began backtracking, for, apparently, he had heard that I was a friend of the family. That evening he apparently wired Hammer, and since Hammer had not received my wire sent through the American Embassy on Tuesday he made the horrendous error of not backing me up, thus telling whoever was picking up the cables that I had no authority to represent Occidental.

When I talked with Dr. Hammer yesterday he asked me if I didn't think he should disassociate Occidental from Galic and Ogbi, virtually putting the words in my mouth as he did so. I want you to know, Dick, that I told him that I knew nothing of his arrangements with either of them, but I could see no reason why he could not continue with Ogbi at least for the time being, <u>if</u> he could live with whatever contract he has with Ogbi. Having held out the promise of help during the upcoming elections, should Occidental and Galic pull the rug from under him they'll make a bitter enemy of him. However, I must admit he's not very strong, in any way.

The new Prime Minister is of the conservative group and perfectly loyal to the King. The one disturbing factor which enters the picture is that he is a close friend of Sifat. Should Sifat be put in as Minister of anything but Petroleum there'll be no problems, but if he should become Minister of Petroleum there might be fireworks ahead, a long, drawn-out period of political maneuvering, etc., and additional delays. In any event, having spent an hour at the Grand Hotel Saturday evening and much of that night with my friend at George's and Dave's Dive, I have come to the conclusion that nothing can be effected until after the elections. He's supposed to come to see me in my office this morning, so I might have to write you later in the day to retract that statement.

One thing has come out of all this which I want to impress on you. Occidental has a bad reputation now for changing horses, and if ever it wants me to do anything else of this kind I'm going to have to go armed with documents to prove I'm working for it. Also, since this is the second time I've been ditched, you can expect a much rougher deal.

Best regards,

James E. Lawler

PLAINTIFF'S EXHIBIT 106.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA 93309
AREA CODE 805
PHONE 327-7351

April 7, 1965

Mr. James E. Lawler
Via Compania 31, Int 4
Rome, Italy

Re: Libya

Dear Jim:

The Libyan political scene appears to be in its usual chaotic and unpredictable state, all of which as always adds up to more delays regarding any call for concessions. Based on your recent communications with Dr. Hammer and myself, I've concluded that it is now your belief that the White family will not become involved in any way whatsoever in the acquisition of concessions when and if they are called for. That means that a vacuum now exists which certainly will be filled by somebody who will move into the "receiving and granting" position. What are your thoughts on this?

The rather demanding conclusion to your letter of March 29th almost certainly will not achieve any material satisfaction for your account if pursued. The Doctor, half a world away, had no choice but to react as he did to Ogbi's communication as the later indicated that you had conveyed the impression to him that you were our then "official" representative and not he. If you will recall, your specific assignment was investigative and was to attempt to set up a more direct channel and not to disrupt any existing relationships.

In regards to your geological studies for our account under the Geological Service Contract of February 20, 1965, I believe the best move at this time would be for you to get the project concluded by April 20th. By that time you will have had two months work thereon for which we will have paid you the initial $4,000, in excess of $2,400 for expenses and services, plus an additional $1,000 for the March 20th to April 20th period. This totals nearly $7,500 which amount is damn good pay by any standards for two partial months work. Therefore Jim, please try to finish up the geological study by April 20th or as near thereafter as possible, complete with maps and a written report.

Until the Libyan political picture clears up appreciably, we want to hold any additional expenditures to an absolute minimum. At such time as the situation jells, we will then in all

PLAINTIFF'S EXHIBIT 106

probability wish either to renew the Geological Services Contract or work out an arrangement similar to that you proposed to Dr. Hammer in your letter of March 20th.

The accounting department will have the check out for your recent statements in the near future.

Best regards and please keep me informed of any significant news regarding Libya.

Yours very truly,

OCCIDENTAL PETROLEUM CORPORATION

Richard H. Vaughan
Vice President

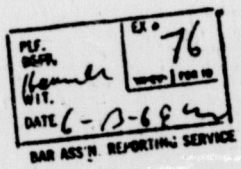
RHV:mr

Airmail

P.S. — What does the disability of Fathi Khogia do to or for the situation?

PLAINTIFF'S EXHIBIT 116.

BY OASIS



Translation

KINGDOM OF LIBYA

Ministry of Petroleum Affairs

Factors to be weighed (in prefering one person to another)* among those desiring to obtain Concession Contracts

The following factors shall be considered in determining preference among applicants for concession contracts in areas previously announced.

1. Posted prices shall be taken as a basis for fixing the amount of royalty and income accruing to the concessionaire. Such prices may not, however, be revised except with the agreement of the Council of Ministers.

2. Posted prices may be fixed semi-annually by agreement between the Ministry of Petroleum Affairs and the Concession holder, provided they may not be less than prices posted in the Middle East for crude oil of similar quality and specific gravity. Necessary amendments may be made in respect of transport costs, insurance, gravity and quality where necessary.

3. Each Concession Contract shall be considered as a separate unit in itself in relation to other contracts granted to the Concession holder for purposes of fixing the income accruing to the concession holder, his expenses and working concessions provided for in Article 11 of the Petroleum Law.

4. The Concession holder shall pay the rent prescribed in the Petroleum Law, in full and in advance, in respect of each year. The royalty falling due in respect of a concession area for any year may not be reduced by amounts paid as rentals for that year.

5. Royalty shall be reckoned on the basis of all quantities of petroleum extracted from the field without reducing therefrom quantities produced by the Company for the purposes of undertaking its operations.

6. Concession holder may not deduct any experditure prior to the date of granting the Concession Contract, including reconnaisance expenses.

RECEIVED
JAN 27 1969
OCCIDENTAL PETROLEUM CORPORATION

* supplied by translator

PLAINTIFF'S EXHIBIT 116

7. Concession holder shall notify the Ministry of any tender exceeding in value Two Hundred Thousand Pounds before announcing it and shall invite a representative of the Ministry (to be present) when envelopes are opened. Tender conditions shall include a provision to the effect that the contract shall not come into force until after the Minister approves it - where the contract value exceeds Two Hundred Thousand Pounds - and until the Council of Ministers approves it where the value exceeds One Million Pounds.

8. Concession holder shall deposit in a bank operating in Libya all amounts necessary for local expenses.

9. Concession holder shall be obliged to give priority in the use of oil tankers to those owned by the Government or Libyan nationals where transport fares and conditions are similar.

10. Concession holder shall supply the Ministry with all data, information and technical conclusions relating to the Contract on forms drawn up by the Ministry from time to time.

11. Concession holder shall follow the latest technical procedures and adopt precautionary measures to preserve natural gas in accordance with laws and regulations or as the Ministry may direct from time to time. He shall further obtain the prior consent of the Ministry in the ways of production, completion and abandonment of wells, rates of pumping and limitation of distances between wells and the boundaries of the Concession area.

12. Concession holder shall relinquish the total contract area upon the lapse of fifteen years from the date of granting the Concession without finding petroleum or natural gas in commercial quantities.

13. Offer a rate of profit (~~xxxxx~~) exceeding fifty per cent and to pay the greatest possible amount of royalty.

14. Accord the Government the right to obtain crude oil at a rate not exceeding fifty per cent of its full share in the profits.

15. Have markets for the sale of petroleum.

16. Applicant (shall have) the ability and preparedness to establish petroleum refineries and petrochemical industries within the country.

17. Any other conditions which are more beneficial to the Government.

PLAINTIFF'S EXHIBIT 116

An applicant desirous of obtaining a petroleum concession contract should clearly state in his application what preferential factors, as mentioned above, he can offer.

Ministry of Petroleum Affairs.

1837a

PLAINTIFF'S EXHIBIT 119.

41, Rue Spontini

PARIS 16°

June 9, 1965

OGBI BROTHERS

P.O.B. 657

TRIPOLI (Libya)

D/1/65

Dear Mr. Ogbi,

Thank you for your letter of June 7th containing the promised 2.000 Dollars check. Would you kindly arrange for the next 2.000$ to be handed to me during my next stay in TRIPOLI which will be between June 15 and 17.

To-morrow Dr. HAMMER will call me and so he will inform me which date I have an appointment in Tripoli. A few days later we all will have to meet in Rome or in Paris.

Best Regards

PLF EXH. G-19 FOR ID.

7/1/69 DAVID J. FELDMAN, C.S.R.

PLAINTIFF'S EXHIBIT 120.

TELEGRAMMA

N. ..... di recapito. Rimesso al fattorino alle ore

Nulla è dovuto al fattorino pel recapito. Il fattorino consegna una ricevuta a stampa quando è incaricato di una riscossione.

Mod. 30 - Ediz. 1961-65

Pel circuito N.

= ELT = JAMES LAWLER VIA

CAMPANIA 31 ROM

71

- 36 ORLYAEROGARE 3762/1 96 13 1540

Roma - Istr. Poligr. Stato V.C.

DEAR JIM CONFIRM IN CONSIDERATION OF YOUR M ARRANGING MY NEGOTIATIONS WITH GOLD DUST TWINS WILLING ENTER INTO AGREEMENT PAY YOU 5000 DOLLARS FOR GRAVITY STUDY PLUS 150 DOLLARS PER DAY TIME YOU SPEND NEGOTIATIONS LIBYA PLUS EXPENSES ALSO CONCESSIONS OBTAINED THROUGH GOLD

1730 G

PLAINTIFF'S EXHIBIT 120

Qualifica	DESTINAZIONE	PROVENIENZA	NUM.	PAROLE	DATA E ORA DELLA PRESENTAZIONE		Via e indicazioni eventuali d'ufficio
					Giorno e mese	Ore e minuti	

Roma - Tip. Poligr. S. a. V. G.

JUST TWINS SCALE PAYMENT AS AGREED OVER PHONE WITH MINIMUM
$50000 DOLLARS YOU TO NEGOTIATE FOR US EXCLUSIVELY ALSO 2000
SHARE OPTION WITH OUR ASSISTANCE FINANCING SAME STOP PARIS RITZ
SIXTEENTH SEVENTEENTH LONDO CLARDIGES OR INTERORE EIGHTEENTH
NINETEENTH ROME HILTON TWENTIETH CABLE LA MAMOUNIA MARAKEESH
REGARDS = ARMAND+

PLAINTIFF'S EXHIBIT 121.

MODULARIO - C - Tel. - 45

TELEGRAFI DELLO STATO

Mod. 25 (Ediz. 1961-62)

L'Amministrazione non assume alcuna responsabilità civile in conseguenza del servizio telegrafico. - Leggere, a tergo del presente, le *Avvertenze*.

Tassa principale .....
Tasse accessorie .....
TOTALE... L. .....

Bollo a data

SPAZIO per cartellini di urgenza

TELEGRAMMA

Trasmesso il ..... ore .....
Trasmittente .....

Circuito di trasmissione

Qualifica	DESTINAZIONE	PROVENIENZA	NUMERO	PAROLE	DATA	ORE	Via e altre indicazioni di servizio

AVVERTENZA - SI PREGA SCRIVERE A MACCHINA O A CARATTERE STAMPATELLO

DESTINATARIO e INDIRIZZO: ARMAND HAMMER HOTEL LA MAMOUNIA MARRAKECH (MOROCCO)

TESTO ed eventualmente FIRMA:

TWINS RETURNED HOME I WILL CONTACT THEM AND ADVISE YOU

LAWLER

Indicazioni obbligatorie, ad uso d'ufficio, che vengono trasmesse solo a richiesta del mittente:

COGNOME, NOME, DOMICILIO DEL MITTENTE: James E. Lawler, Via Campania 31, Roma

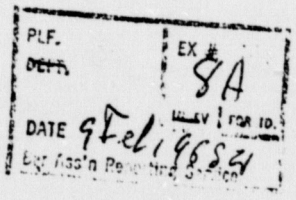
Roma - Istituto Poligrafico dello Stato V.C.

PLAINTIFF'S EXHIBIT 122.

Occidental Petroleum Corporation
c/o Dr. Armand Hammer
Claridge's Hotel
London W. 1.

19 June 1965

Mr. Taher Ogbi
P.O. Box 657
Tripoli
Libya



Dear Sir:

It is herewith mutually agreed between us that our agreements of September 18th 1964 ~~and February 18th 1965~~ are herewith cancelled, and we release each other of any obligations under said agreement.

Very truly yours

OCCIDENTAL PETROLEUM CORPORATION

by .....
Armand Hammer

.....
Taher Ogbi

VIA AIR MAIL

PLAINTIFF'S EXHIBIT 123.

THE CHASE MANHATTAN BANK

1 Chase Manhattan Plaza, New York 15, New York

July 15, 1965

Ess. Fuad El Kabazi
Minister of Petroleum Affairs
Tripoli, Libya

Your Excellency:

It is our understanding that Occidental Petroleum Company of Libya Incorporated, Los Angeles, California, is taking steps to bid for some of the relinquished acreage later on this month.

This concern is a wholly owned subsidiary of Occidental Petroleum Corporation of Los Angeles. The parent concern has been active in the oil and gas business for many years and is presently engaged in exploration, development and marketing of various petroleum products. The company has been very active in petrochemicals and has shown imagination in its diversification program. The balance sheet as of December 31, 1964 reflected another year of profitable operations and current assets $31,000,000, current liabilities $17,000,000 and a net worth in excess of $47,000,000. We regard the management as capable and experienced and feel that any dealings you may have with them will be handled to your satisfaction.

Sincerely,

Joseph C. Broadus

Joseph C. Broadus
Vice President

1843a

PLAINTIFF'S EXHIBIT 124.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1500
LOS ANGELES, CALIFORNIA 90024
PHONES: 879-1700 · 477-8521

July 16, 1965

OFFICE OF THE PRESIDENT

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York, New York

Dear Herbert:

With reference to our agreement of December 17, 1964, I have sent the enclosed cables to Mr. Ferdinand Gallic and General de Rovin.

Our agreement of September 18, 1964, with Ogbi Brothers was cancelled on June 19, 1965, when I met Mr. Taher Ogbi in London together with Mr. Gallic.

In light of your letter to me of March 16, 1965, enclosing the report on General de Rovin, any association that we would have with him would prejudice any possibility we would have of getting any concessions in Libya and I made this perfectly clear to Mr. Gallic.

In light of the above, our agreement of December 17, 1964, releases us from any commitment toward Allen & Company. You are likewise free to make any other arrangements you wish.

With best regards,

Sincerely yours,

Occidental Petroleum Corporation

By _____
Armand Hammer, President

AH:dp

Encl.

PLAINTIFF'S EXHIBIT 124

DOMESTIC SERVICE
Check the class of service desired, otherwise this message will be sent as a fast telegram

TELEGRAM	
DAY LETTER	
NIGHT LETTER	

$ S E

WESTERN UNION
TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE
Check the class of service desired; otherwise the message will be sent at the full rate

FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

July 16, 1965

General P. de Rovin
14 Rue Guynemer
Paris, France

IN ACCORDANCE WITH TERMS OF OUR SEPTEMBER 18 1964 AGREEMENT WE WISH TO ADVISE YOU THAT WE WILL NOT UTILIZE YOUR INTERVENTION OR SERVICES IN ACQUIRING OIL AND GAS CONCESSIONS IN LIBYA AND HENCE CONSIDER OURSELVES FREE OF ANY OBLIGATIONS WHATSOEVER TOWARD YOU (STOP) WE HEREBY RELEASE YOU FROM ANY OBLIGATION TO ABSTAIN FRON NEGOTIATING WITH ANY OTHER PARTY (STOP)

ARMAND HAMMER, PRESIDENT
OCCIDENTAL PETROLEUM CORPORATIO

1845a

PLAINTIFF'S EXHIBIT 124

DOMESTIC SERVICE
Check the class of service desired; otherwise this message will be sent as a fast telegram

TELEGRAM	
DAY LETTER	
NIGHT LETTER	

$
S
E

WESTERN UNION
TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE
Check the class of service desired; otherwise the message will be sent at the full rate

FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

July 16, 1965

Ferdinand Gallic
41 Rue Spontini
Paris, France

IN ACCORDANCE WITH TERMS OF OUR SEPTEMBER 18 1964 AGREEMENT WE WISH TO ADVISE YOU THAT WE WILL NOT UTILIZE YOUR INTERVENTION OR SERVICES IN ACQUIRING OIL AND GAS CONCESSIONS IN LIBYA AND HENCE CONSIDER OURSELVES FREE OF ANY OBLIGATIONS WHATSOEVER TOWARD YOU (STOP) WE HEREBY RELEASE YOU FROM ANY OBLIGATION TO ABSTAIN FROM NEGOTIATING WITH ANY OTHER PARTY (STOP) SIMILAR NOTICE HAS BEEN SENT TO YOUR ASSOCIATE GENERAL DE ROVIN.

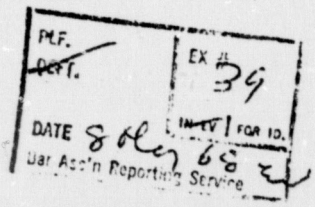
ARMAND HAMMER, PRESIDENT
OCCIDENTAL PETROLEUM CORPORATION

PLAINTIFF'S EXHIBIT 125.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA 93309
AREA CODE 805
PHONE 327-7351

July 26, 1965



Mr. Taher Ogbi
P. O. Box 657
Tripoli, Libya
Dear Mr. Ogbi:

This letter shall consolidate Occidental of Libya, Inc.'s, the "Company's", understanding with you into a single agreement which makes null and void the letter agreements of September 18, 1964, February 15, 1965, February 18, 1965, and all other written and verbal agreements as might now exist.

The Company hereby confirms your position as Agent and Attorney in Fact for registration and legalization of the Company in Libya. Such position is evidenced by Documents numbered: 65/2389, 65/2389-5 and 65/2389-10 as have been authenticated and notarized by the United States State Department, the Libyan Consul in Washington D. C. and by other appropriate Libyan authorities. In regards to such registration the Company thanks you for your capable direction and assistance.

As agent with those specific powers as spelled out in the aforementioned documents the Company agrees to pay you a monthly fee of US$500.00.

You shall represent the Company in Libya in these capacities as the officers of the Company shall direct until written termination is made by either party.

PLAINTIFF'S EXHIBIT 125

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA 93309
AREA CODE 805
PHONE 327-7351

Your activities for the Company's account relative to s[illegible] registration and legalization is hereby acknowledged by you to be separate from any intervention by you for the Company's account relative to the acquisition of petroleum concessions, from which you are totally divorced and are free to act for any one you may wish.

If the Company utalizes your services for such other activities in Libya as it might engage in for which you and your firm are qualified, the Company will agree in advance in writing on the extent and nature of such services and your compensation.

This understanding between us cannot be altered except in writing.

If the preceding represents the spirit and understanding of our relationship which we look forward to maintaining please so indicate by your signature below.

Yours very truly,
OCCIDENTAL OF LIBYA, INC.

[signature]
President

Agreed and accepted
this 27th day of July, 1965
FOR OGBI BROTHERS
Taher Ogbi [signature]

PLAINTIFF'S EXHIBIT 128.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRVIEW 7-7351

Tripoli 29th July 1965

His Excellency
The Minister Of Petroleum Affairs
Government Of Libya

PLF. DEFT. EX # 1A
DATE 9 Sept 1968
Ex. Ass'n Reporting Service

Your Excellency,

Please accept our bid for petroleum concessions and our proposal for the development of a chemical fertilizer industry and a modern agricultural project.

Kindly be advised that should your Excellency and/or other Ministers desire to have further clarification or discussions of any aspect of our proposal, that the parent company, Occidental Petroleum Corporation, and its world wide subsidiaries would be pleased to make available both technical and management personnel for such meetings.

We wish further to point out that in regard to the proposed chemical fertilizer plant for Libya such as the one we have just contracted to construct, operate, manage and guarantee to market the products for The Petroleum & Mineral Organization of Saudi Arabia, that the feasibility study, to be started within 60(sixty) days after the grant to Occidental Of Libya Inc. the concessions of its choice, shall be completed within six (6) months after commencement of such feasibility study.

Should such feasibility study results be affirmative, construction of the plant and facilities would be commenced within 90 (ninety) days after suitable contracts are signed with the Libyan Government and the Government makes free gas available at the plant site. Such plant would be completed within 18(eighteen) months from the commencement thereof, subject to the customary 'force majeur' provisions.

This letter is to be considered a firm and binding part of our application for petroleum concessions dated 29th July 1965.

Yours Very Truly,
OCCIDENTAL OF LIBYA, INC.

Armand Hammer

President & Chairman of The Board

EXCERPTS FROM PLAINTIFF'S EXHIBIT 130.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA 93309
AREA CODE 805
PHONE 327-7351

Tripoli 29th July, 1965

His Excellency
The Minister of Petroleum Affairs
Government of Libya

Your Excellency,

Please accept our bid for petroleum concessions and our proposal for the development of a chemical fertilizer industry and a modern agricultural project.

Kindly be advised that should your Excellency and/or other Ministers desire to have further clarification or discussions of any aspect of our proposal, that the parent company, Occidental Petroleum Corporation, and its world wide subsidiaries would be pleased to make available both technical and management personnel for such meetings.

We wish further to point out that in regard to the proposed chemical fertilizer plant for Libya such as the one we have just contracted to construct, operate, manage and guarantee to market the products for The Petroleum & Mineral Organization of Saudi Arabia, that the feasibility study, to be started within 60 (sixty) days after the grant to Occidental of Libya, Inc. the concessions of its choice, shall be completed within 6 (six) months after commencement of such feasibility study.

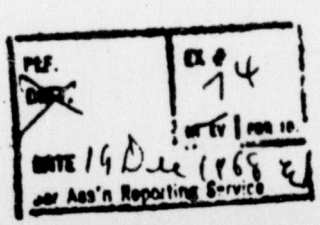
Should such feasibility study results be affirmative, construction of the plant and facilities would be commenced within 90 (ninety) days after suitable contracts are signed with the Libyan Government and the Government makes free gas available at the plant site. Such plant would be completed within 18 (eighteen) months from the commencement thereof, subject to the customary "force majeur" provisions.

This letter is to be considered a firm and binding part of our application for petroleum concessions dated 29th July, 1965.

Yours very truly,

OCCIDENTAL OF LIBYA, INC.

President & Chairman of the Board



PLAINTIFF'S EXHIBIT 130

TABLE OF CONTENTS

1	Application for Concession Contract	١ طلب منح عقد الامتياز
2	Exhibit No. I (English a. & Arabic b.) Document #63/6653 Certificate of Corporate Secretary Certificate of Incorporation of Occidental of Libya, Inc. By-Laws of Occidental of Libya, Inc.	٢ عرض رقم ١ (بالانكليزية والعربية) وثيقة رقم ٦٣/٦٦٥٣ شهادة مجلس الادارة شهادة المساهمة لشركة اوكسيدنتال اف ليبيا نظام شركة اوكسيدنتال اف ليبيا المساهمة .
3	Exhibit No. II (English a. & Arabic b.) Document #65/5930 Certificate of Corporate Secretary Certificate of Corporate Resolution Certificate of Undertaking Power of Attorney Incumbency Certificate	٣ عرض رقم ٢ (باللغتين العربية والانكليزية) وثيقة رقم ٦٥-٥٩٣٠ شهادة مجلس الادارة شهادة قرار الادارة شهادة التعهدات شهادة التوكيل وصلاحيتها لائحة الرؤساء والمخلفين
4	Exhibit No. III (a) Letter Re: Libyan Agent (b) Document #65/2389-8 (English b.) Certificate of Resolution (c) Document #65/2389-13 (English c.) Special Power of Attorney	٤ عرض رقم ٣ أ) رسالة متعلقة بالوكيل الليبي ب) وثيقة رقم ٨-٢٣٨٩/٦٥ بالانكليزية شهادة قرار الادارة ت) وثيقة رقم ١٣-٢٣٨٩/٦٥ بالانكليزية تفويض محدود خاص
5	Exhibit No. IV (English & Arabic) Concession Maps & Descriptions (a) Area 428 (b) Area 43 (c) Area 44 (d) Area 47	٥ عرض رقم ٤ (باللغتين العربية والانكليزية) اوصاف وخرائط اماكن عقد الامتياز أ) الحقل المطلوب العمل فيه ٤٢ ب) الحقل المطلوب العمل فيه ٤٣ ج) الحقل المطلوب العمل فيه ٤٤ د) الحقل المطلوب العمل فيه ٤٧
6	Exhibit No. V (English only) Annual Reports of Occidental Petroleum Corporation for the years 1962, 1963, & 1964	٦ عرض رقم ٥ (باللغة الانكليزية فقط) التقرير السنوي لشركة اكسيدنتال بترول المساهمة لسنة ١٩٦٢ و ١٩٦٣ و سنة ١٩٦٤
7	Exhibit No. VI (English only) (a) Document #63/6614-1 Certificate of Corporate Secretary Certificate of Corporate Resolution Certificate of Undertaking Power of Attorney Special Power of Attorney Incumbency Certificate (b) Document #63/7249-2 Certificate of Corporate Secretary Certificate of Corporate Resolution Special Power of Attorney (c) Document #63/8988-1 Incumbency Certificate	٧ عرض رقم ٦ باللغة الانكليزية فقط) أ) وثيقة رقم ١-٦٦١٤/٦٣ شهادة مجلس الادارة شهادة قرار مجلس الادارة شهادة عن مدى صلاحية مجلس الادارة تفويض محدود خاص لائحة الرؤساء والمخلفين ب) وثيقة رقم ٢-٧٢٤٩/٦٣ شهادة مجلس الادارة شهادة قرار مجلس الادارة تفويض محدود خاص ج) وثيقة رقم ١-٨٩٨٨/٦٣ لائحة الرؤساء والمخلفين

PLAINTIFF'S EXHIBIT 130

Table of Contents (continued) — تابع لائحة المحتويات

(d) Document #63/1004-2
Certificate of Corporate Secretary
Certificate of Corporate Resolution
Incumbency Certificate

د) وثيقة رقم ٢-١٠٠٤/٦٣
شهادة مجلس الادارة
شهادة قرار مجلس الادارة
شهادة لائحة الرؤساء والموظفين

(e) Document #63/2389-3
Certificate of Resolution

هـ) وثيقة رقم ٣-٢٣٨٩/٦٣
شهادة بقرارات المجلس

8. Exhibit No. VII (English[a.] & Arabic[b.])
Letter Re: Financial Responsibility from Chase Manhattan Bank

٨. عرض رقم ٧ (بالانكليزية أ. والعربية ب.)
رسالة من مصرف الشيز منهاتن بنك تفصيلا لامكانياتها المالية

9. Exhibit No. VIII (English & Arabic[a.])
(a) Signal Oil & Gas Co. Crude Oil Purchase Letter
(b) Signal Oil & Gas Co. 1964 Annual Report

٩. عرض رقم ٨ (باللغتين العربية والانكليزية)
أ) رسالة شراء من شركة سيجنال اويل اند غاز كرود آويل
ب) وتقرير سنوي من شركة سيجنال اويل اند غاز

10. Exhibit No. IX
(a) Letter Re: Article 9(3) of Petroleum Law No. 25 of 1955 from Occidental of Libya, Inc.
(b) Letter of Credit from Chase Manhattan Bank

١٠. عرض رقم ٩
أ) رسالة متعلقة بالمادة رقم ٩ من قانون البترول رقم ٢٥ لسنة ١٩٥٥ - لشركة اوكسيدنتال اوف ليبيا انك .
ب) رسالة دائتين (ليتر اوف كريديت) من شيز منهاتن بنك

11. Exhibit No. X (English[a.] & Arabic[b.])
Ministry of Economy Certificate #492

١١. عرض رقم ١٠ (أ بالانكليزية ب بالعربية)
شهادة رقم ٤٩٢ من وزارة الاقتصاد

12. Exhibit No. XI (English[a.] & Arabic[b.])
Ministry of Petroleum Affairs Certificate # MP/4/23/452

١٢. عرض رقم ١١ بالانكليزية أ - والعربية ب
رقم ٤٥٢/٢٣/٤/ب م الصادر من وزارة شئون البترول

13. Exhibit No. XII (Arabic only)
Tripoli Bureau of Commercial Registration Certificate #2936

١٣. عرض رقم ١٢ (باللغة العربية فقط)
مكتب التسجيل التجاري بطرابلس رقم ٢٩٣٦

14. Exhibit No. XIII (Arabic only)
Benghazi Bureau of Commercial Registration Certificate #980

١٤. عرض رقم ١٣ (باللغة العربية فقط)
الصادر عن سجل المكتب التجاري لبنغازي رقم ٩٨٠

15. Exhibit No. XIV (Arabic only)
Tripolitania Chamber of Commerce Registration Certificate #11,587

١٥. عرض رقم ١٤ (باللغة العربية فقط)
الصادر عن تريبوليتانيا رقم ١١٥٨٧ من سجل الغرفة التجارية

16. Exhibit XV
Agricultural Proposal for the Kingdom of Libya (Fertilizer & Kufra Oasis Project)

Note: Exhibit XV is a separate brochure accompanying this application

١٦. عرض رقم ١٥
العرض الزراعي للمملكة الليبية المعروف بمشروع (فرتيليزر وكفرا اويسيز)

الرجاء الاخذ بالعلم بان عرض ١٥ هو مفصل بمظروف منفصل مرفق مع هذا الطلب .

17. Exhibit XVI
BEST Fertilizers & Chemicals Brochure

Note: Exhibit XVI is a separate brochure accompanying this application

١٧. عرض رقم ١٦
أحسن كتيب عن المواد الكيماوية المخصبة .

الرجاء العلم بان العرض ١٦ هو مفصل بمظروف منفصل مرفق مع هذا الطلب .

1851a

PLAINTIFF'S EXHIBIT 130

Application for Concession Contract

طلب على عقد امتياز

PLAINTIFF'S EXHIBIT 130

نموذج رقم ٢

Form No. 2

المملكة الليبية المتحدة
وزارة شئون البترول

KINGDOM OF LIBYA

MINISTRY OF PETROLEUM AFFAIRS

طلب منح عقد امتياز للبترول

"Application for Concession Contract"

1. Occidental of Libya, Inc.

١. شركة اوكسيد نتال اف ليبيا

2. (a) Incorporated in the State of Delaware, U.S.A. Exhibit I

(b) c/o Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles 24, California, U.S.A.

(c) *Petroleum Exploration and Production;
Chemical Fertilizer Manufacturing and Sales;
Phosphate Mining, Processing and Sales;
Sulphur Mining, Processing and Sales;
Natural Gas Processing and Sales;
Petrochemical Manufacturing and Sales;
Cryogenic Transportation of Fresh Produce.

*Parent Company and Subsidiaries

(d) Directors of Occidental of Libya, Inc:
Armand Hammer
E. C. Reid
Robert S. Rose
Richard H. Vaughan
Paul C. Hebner Exhibit II

٢. أ. مسجلة فى ولاية ديلاوير بالولايات المتحدة الاميركية عرض رقم ١

ب. عنوانها الرئيسى
شركة اوكسيد نتال للبترول
١٠٨٨٩ شارع ويلشاير
لوس انجليس ٢٤ ، كاليفورنيا

ج. البحث عن البترول وانتاجه
صناعة الاسمدة الكيمائية وبيعها
استغلال الفوسفات ـ تصنيعه وبيعه
انتاج الغاز الطبيعى وبيعه
انتاج المواد الكيمائيه من البترول وبيعها
النقل فى عربات التبريد للمأكولات الطازجه
الشركة الرئيسية وتوابعها

د. مديرو شركة اوكسيد نتال اف ليبيا
ارماند هامر
ا. س. ريد
روبرت س. روس
ريتشارد هـ. فوجان
بول س. هيبنر عرض رقم ٢

3. (Not Applicable)

٣. لا تنطبق هذه المادة

4. (a) Libyan Agent and Attorney-in-Fact for Registration
Mr. Taher Ogbi
c/o Ogbi Brothers
New State Office Building
Shara Tahran 5th Floor
P. O. Box 657
Tripoli, Libya Exhibit III

(b) Libyan Branch Manager
Mr. C. James Blom
c/o Libya Palace Hotel
Tripoli, Libya

٤. ا. الوكيل والمحامى لشئون التسجيل فى ليبيا
السيد طاهر اوجبى
طرف اخوان اوجبى
الطابق الخامس شارع طهران
صندوق بريد ٦٥٧
طرابلس ، ليبيا عرض رقم ٣

ب. مدير فرع ليبيا
السيد س. جيمز بلوم
فندق ليبيا بالاس
طرابلس ، ليبيا

5. Forty-four (44) years.

٥. أربعة واربعون عاما (٤٤)

6. (a) Areas numbered: 428 & 43

OR

(b) Areas numbered: 43, 44 & 47
(see attached descriptions and maps of areas applied for) Exhibit IV

٦. ا. المناطق رقم ٤٢٨ و ٤٣

أو

ب. المناطق رقم ٤٣ ، ٤٤ ، ٤٧
(انظر المواصفات والخرائط المرفقه) عرض رقم ( )

7. (See attached: Documents, Annual Reports, Proposals, and Letters - Exhibits Numbered V, VI & VII)

٧. (انظر المرفقات ، المستندات ، التقارير السنوية ، المقترحات ، والخطابات ، مرفقات رقم ٥ ، ٦ ، ٧)

PLAINTIFF'S EXHIBIT 130

Form No. 2 2.

Occidental is hereby willing to offer the Kingdom of Libya the following economic and financial benefits over and above anything which is provided for in The Petroleum Law, No. 25 of 1955 and amendments made thereto through July of 1963:

(a) The erection of a plant(s) for the manufacture of anhydrous ammonia and/or urea with an initial plant(s) capacity of approximately 600 tons per day with future expansion up to 1,200 tons per day utilizing free delivered natural gas from the Government of Libya, such plant(s) representing an investment for battery limits up to $30,000,000 U.S. The investment will be shared 50/50 between Occidental and the Government of Libya. The investment may consist entirely of equity or of equity and loan funds depending upon the results of a feasibility study to be initiated within sixty (60) days from the granting to Occidental the petroleum concessions of our choice. Such feasibility study shall be conducted at the sole expense of Occidental. If the project shall be deemed feasible by both parties it is binding on each subject to the appropriate guarantees of the United States Government. If the parties cannot or do not agree with the results of the feasibility study or the recommendations thereof the matter will be referred to arbitration before the Chamber of Commerce in Lausanne, Switzerland and all proceedings in connection therewith shall be conducted in accordance with applicable rules of the International Arbitration Association. (See enclosures for additional details.) XV

(b) Five percent (5%) of the net operating profits before Libyan taxes from the sale of petroleum produced by Occidental from concessions granted to the Company shall be made available for the agricultural development of the Kufra or such other areas as are mutually agreed upon by the Government and the Company. (See enclosures for additional details.) XV

(c) Each concession shall be regarded as independent from any others granted to the Company for the purpose of determining working obligations, income and expenditures after the Company's marketed crude oil production from such concessions shall exceed 25,000 barrels per day.

(d) Advance payment each year of all rentals shall be credited as an operating expense but shall not be deducted from royalty.

٨: تقدم شركة اوكسيدنتال الى حكومة المملكة الليبية المزايا والفوائد التاليه زيادة عما نص عليه القانون رقم ٢٥ لسنة ١٩٥٥ والتعديلات التي ادخلت عليه حتى شهر يوليو سنة ١٩٦٣

١. بناء مصنع او مصانع لانتاج ماء النشادر الجاف ذى انتاج اولى مقداره ٦٠٠ طن يوميا قابل للزياده حتى ١٢٠٠ طن يوميا مستعملا الغاز الطبيعى الذى يسلم مجانا من حكومة ليبيا وسيتكلف المصنع حوالى ٣٠,٠٠٠,٠٠٠ دولار . تتحمل الحكومة نصف التكاليف وتتحمل الشركة النصف الآخر. ورأس المال المستغل يأتى اما عن طريق سندات او قروض بناء على نتائج دراسة المشروع على ان تبدأ هذه الدراسه خلال ٦٠ يوما من تاريخ حصول شركة اوكسيدنتال على امتياز البترول . وستكون تكاليف هذه الدراسه على حساب الشركة وحدها واذا ما ظهر للطرفين ان المشروع ذو فائدة انتاجية فان شروط العقد تسرى على الطرفين بعد الحصول على ضمان من حكومة الولايات المتحدة . اما اذا لم يتفق الطرفان على نتائج دراسة المشروع او على التوصيات التى جاءت بها فيحال الموضوع للتحكيم امام غرفة لوزان التجاريه فسى سويسرا على ان تتمشى جميع اجراءات التحكيم مع انظمة هيئة التحكيم الدوليـــة (انظر المرفقات لزيادة التفاصيل) ١٥

ب. قبل خصم الضرائب الليبية تخصص خمسة بالمئة (٥٪) من الارباح الصافيه لمبيعات البترول الذى تنتجه شركة اوكسيدنتال نتيجا لحقوق امتيازاتها ـ تخصص للتطوير الزراعى فى واحة كفره او اية منطقة اخرى يتفق عليها الطرفان (الحكومة والشركة)
(انظر المرفقات لزيادة التفاصيل) ١٥

ج . ان كل امتياز يعتبر مستقلا فى حد ذاته بالنسبه لتحديد التزامات العمل ، والدخل والمصروفات بعد ان تكون الشركة قد سوقت (باعت) انتاج كل الامتيازات الممنوحة لها بما يزيد عن ٢٥,٠٠٠ برميل يوميا

د . ان جميع المبالغ التى تدفع مقدما كل عام تعتبر مصاريف تشغيل ولكنها لن تخصم من الاتاوة .

PLAINTIFF'S EXHIBIT 130

(e) Royalty shall be calculated without first deducting that crude oil used by the Company for its own operations; however, such provision shall not apply to natural gas or gasoline, distillate, condensate and products derived therefrom.

(f) Expenditures incurred by Occidental prior to the granting of concessions shall not be expensed against future profits.

(g) Preference shall be given to the use of Libyan tankers for the shipment of Occidental's Libyan crude when such tankers are available on a competitive basis, all other things being equal.

(h) The Ministry of Petroleum shall be supplied at its request all well data including electrical, mud, radio-active, sonic, pressure, and depth logs, surveys and measurements.

(i) Occidental shall to the extent of its interests therein surrender each of those concession areas which if after 15 years from the date of grant no oil or gas in what the Company considers commercial quantities shall have been discovered thereon.

(j) Occidental shall accord the Government the option to take or receive crude oil in kind within a limit not exceeding 50% of the Government's share in profits subject to the prior right of any existing crude oil contract or marketing agreements and upon one (1) year's written notice from the Government to Occidental of its intention to take such crude oil in kind; provided, however deliveries of crude oil in kind shall be made at the well-heads and the Government shall provide at its own expense all required storage and related facilities.

(k) Occidental represents that it has negotiated a letter of intent with Signal Oil & Gas Company regarding the marketing of Libya crude oil that Occidental might discover, develop and produce as a result the granting of the requested concessions. A copy of the summary letter of said understanding is attached hereto as Exhibit "VIII", together with an Annual Report of that company. It is noted that the Signal Oil & Gas Company is in a uniquely favorable position to purchase such crude by virtue of its 126,000 barrel per day refining capacity a significant portion of which is located in Belgium and West Germany and for which refineries Signal is now unable to supply crude of its own production.

هـ· تحسب الاتاوة دون خصم الزيت الخام الذى تستعمله الشركه لعملياتها الخاصة · ولكن هذا البند لا يسرى على الغاز الطبيعى او الجازولين او المقطرات والمواد المكثفه وكل ما يستخلص منها

و· لن تخصم المصاريف التى تكبدتها شركة اوكسيد نتال قبل منحها الامتياز

ز· تمنح الافضليه (الاولويه) للناقلات الليبيه متى كانت موجودة مع اعتبار شروط المنافسة المشروعه

ح · تقدم الشركة الى وزارة شئون البترول عند طلبها جميع البيانات الخاصة بالآبار بما فى ذلك انواع التربة المختلفة والضغط والعمق وخرائط المسح والقياس ·

ط· ستتنازل شركة اوكسيد نتال بما لا يضر بمصالحها عن كل من مناطق الامتياز التى لا تدر من البترول او الغاز الكمية التى يمكن اعتبارها كمية تجارية وذلك بعد خمسة عشر عاما من تاريخ منح الامتياز) تخير الشركة الحكومة فى ان تأخذ او تتسلم الزيت الخام فى حدود ٥٠/ من حصة الحكومة فى الارباح على ان يتوقف هذا على اولوية اتفاقيات عقود الزيت الخام الاخرى او اتفاقيات التسويق على ان يسبق هذه — بعد سنة — اخطار من الحكومة الى الشركة يعزمها على ذلك وعلى شرط ان تتسلم الحكومة بمصاريف نقله وخزنه · تتسلم الحكومة الزيت الخام من فوهة الآبار ·

ك· ولقد تفاوضت شركة اوكسيد نتال كتابة مع شركة سيجنال للبترول والغاز بخصوص تسويق الزيت الليبى الذى قد تكتشفه شركة اوكسيد نتال او تصنعه او تنتجه نتيجة لمنحها هذا الامتياز وصورة الخطاب مرفقة بهذا تحت رقم ـــ٨ـــ محمولة بالتقرير السنوى لتلك الشركة — وشركة سيجنال للبترول والغاز فى وضع فريد ممتاز لشراء الزيت الخام اذ ان فى مقدورها أن تكرر ١٢٦٫٠٠٠ برميل يوميا يتم تكرير جزء كبير منها فى بلجيكا والمانيا الغربية ولا تستطيع شركة سيجنال فى الوقت الحالى سد حاجة مصانع التكرير هذا من الزيت الخام الذى تنتجه بنفسها

PLAINTIFF'S EXHIBIT 130

Form No. 2

4.

(i) Occidental agrees to utilize as great a share as practicable of any gas products it might establish for the manufacture of ammonia fertilizer as discussed in 8A above and for petrochemicals and other ancillary projects where feasible.

ل . وتوافق شركة اوكسيد نتال على استعمال اكبر حصة ممكنة عمليا من الغاز الخام الذى تكتشفه لصناعة النشادر كما جاء تفصيله فى البند ٨ ــ ا . وكذلك لصناعة المواد الكيمائية المنتجة من البترول متى كان ذلك ممكنا وربحا .

9 (a) Yes
(b) Yes
(c) Yes (See attached Document - Exhibit No. II)
(d) Yes (See attached Letter - Exhibit No. IX)

٩. ا. نعم
ب. نعم
ج . نعم (انظر المستند المرفق رقم ٢)
د . نعم (انظر الخطاب المرفق رقم ٩)

Dated: July 21, 1965

التاريخ ٢١ يوليو سنة ١٩٦٥

Occidental of Libya, Inc.

شركة اوكسيد نتال اف ليبيا

by _____
President and Chairman of the Board

الرئيس ومدير مجلس الادارة

و

and _____
Vice President and Assistant Secretary

نائب الرئيس والسكرتير المساعد

و

and _____
Vice President and Branch Manager

نائب الرئيس ومدير الفرع

Work Permit *Numbers:

ارقام رخص العمل

Ministry of National Economy #402
Ministry of Petroleum Affairs #MP/4/23/452
Tripoli Bureau of Commercial Registration #2936
Benghazi Bureau of Commercial Registration #980
Tripolitania Chamber of Commerce
Registration #11,587

وزارة الاقتصاد الوطنى ٤٠٢
وزارة شئون البترول م ب/٤/٢٣/٤٥٢
مكتب طرابلس للتسجيل التجارى ٢٩٣٦
مكتب بنغازى للتسجيل التجارى ٩٨٠
غرفة برقة التجارية ١١,٥٨٧

*Copies of each Certificate are attached hereto as Exhibits Numbered X, XI, XII, XIII, XIV

ونسخ هذه الشهادات مرفقة تحت رقم ١٠ ١١ ١٢ ١٣ ١٤

PLAINTIFF'S EXHIBIT 130

Exhibit No. I (English[a] & Arabic[b])

Document #63/6653
Certificate of Corporate Secretary
Certificate of Incorporation of Occidental of Libya, Inc.
By-Laws of Occidental of Libya, Inc.

عرض رقم ١ (بالانكليزية والعربية)
وثيقة رقم ٦٣/٦٦٥٣
شهادة مجلس الادارة
شهادة المساهمة لشركة
اوكسيدنتال اف ليبيا
نظام شركة اوكسيدنتال اف
ليبيا المساهمة .

PLAINTIFF'S EXHIBIT 130

No. 63/6653

United States of America

DEPARTMENT OF STATE

ll to whom these presents shall come, Greeting:

Certify That the document hereunto annexed is under the seals
State of California and the Secretary of State of the
of Delaware, and that such seals are entitled to full faith
dit.*

In testimony whereof, I, DEAN RUSK,
Secretary of State, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this tenth
day of September, 1963.

FOR THE CONTENTS OF THE ATTACHED DOCUMENT NO RESPONSIBILITY

Dean Rusk
Secretary of State.

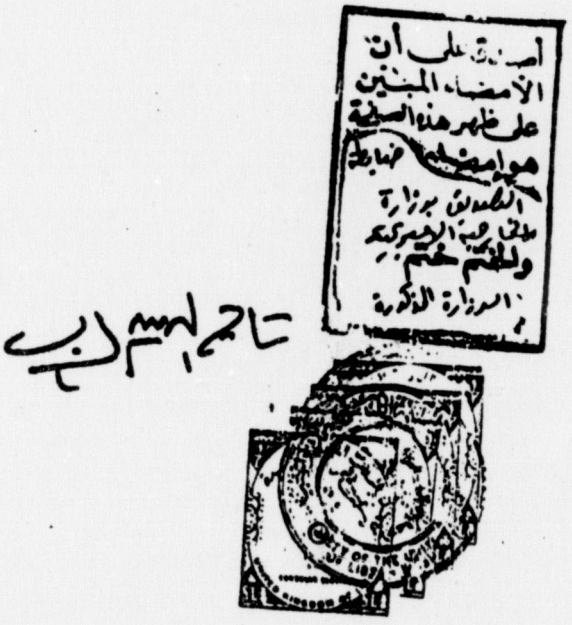
By Barbara Hartmann
Authentication Officer, Department of State.

U. S. GOVERNMENT PRINTING OFFICE 16—63630-6

PLAINTIFF'S EXHIBIT 130

SEP 10 1963

633



PLAINTIFF'S EXHIBIT 130

July 18, 1965

Ministry of Petroleum
Kingdom of Libya
Tripoli, Libya

Gentlemen:

Please be advised that Occidental of Libya, Inc.'s Libyan Agent is:

Mr. Taher Ogbi
c/o Ogbi Brothers
New State-Office Building
Shara Tahran 5th Floor
P. O. Box 657
Tripoli, Libya

Cable: ELOGBI-TRIPOLIBYA
Office Phones: 42302 & 46632
Home Phone: 45577

The duly authenticated and notarized documents establishing Mr. Ogbi's position as Agent and Attorney-in-Fact are numbered: 65/2389. Both the English and Arabic translations thereof are attached hereto.

Sincerely,

Occidental of Libya, Inc.

Richard H. Vaughan
Vice President

المملكة الليبية المتحدة
وزارة شئون البترول
طرابلس، ليبيا

نود أن نحيطكم علما بأن وكيل شركة اوكسيدنتال اف ليبيا فى المملكة الليبية المتحدة هو السيد:

طاهر أوجبى
طرف اخوان أوجبى
الطابق الخامس، شارع طهران
صندوق بريد رقم ٦٥٧
طرابلس، ليبيا

العنوان التلغرافى
الاوجبى — تريبوليبيا
التليفون
مكتب - ٤٢٣٠٢ ، ٤٦٦٣٢
منزل - ٤٥٥٧٧

كذلك نفيدكم بأن المستندات المعتمدة والموثقة التى تعين صفة السيد اوجبى الشرعية كوكيل وممثل قانونى رقمها ٦٥/٢٣٨٩ وهى مرفقة بهذا الاخطار باللغة الانجليزية، يقابلها ترجمتها باللغة العربية.

شركة اوكسيدنتال اف ليبيا

(امضاء)
ريتشارد هـ. فوجان
نائب الرئيس

CE[illegible]ICATE OF RESOLU[illegible]

1860a

OCCIDENTAL OF LIBYA, INC.

PLAINTIFF'S EXHIBIT 130

I, PAUL C. HEBNER, hereby certify that I am duly elected, qualified Secretary of Occidental of Libya, Inc., a Delaware corporation, and the keeper of the records and corporate seal of said corporation; that the following is a true and correct copy of resolutions duly adopted at a regular meeting of the Board of Directors of said corporation held on the 19th day of January, 1965, in accordance with the by-laws of said corporation at 10889 Wilshire Boulevard, Los Angeles 24, California, and that the same are now in full force and effect on the date hereof:

"RESOLVED that the President or any Vice President and the Secretary of this Corporation be and they are authorized and directed to execute and acknowledge, as the act and deed of this Corporation and in its corporate name, a Power-of-Attorney in writing substantially in the following form, to-wit:

"KNOW ALL MEN BY THESE PRESENTS, that Occidental of Libya, Inc., (the "Company"), a Delaware corporation, acting by and through its duly authorized officers, does hereby make, appoint, designate, and constitute TAHER OGBI as agent and attorney-in-fact to act for and in the name of the Company to register and qualify the Company to do business in the United Kingdom of Libya and to protocolise, legalize and register in the proper offices of the United Kingdom of Libya the corporate documents and other instruments required by its laws, and take any and all other steps or do any further acts which may be required in order that the Company may be duly authorized to transact business and function in the United Kingdom of Libya;

"AND THAT, Company does hereby approve, adopt and ratify all or any act or deed that the above named agent and attorney-in-fact shall do or cause to be done pursuant to the Power of Attorney.

"IN WITNESS WHEREOF, the Company has caused these Powers of Attorney to be made and executed by its duly elected, qualified and acting _____ this _____ day of _____, 1965."

_____
President or Vice President

WITNESS my hand as Secretary of the Company and the corporate seal hereto affixed this 22 day of January, 1965.

(Corporate Seal)

Paul C. Hebner, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On January 22, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Paul C. Hebner, known to me to be the person whose name is subscribed to the within Instrument, and acknowledged to me that he executed the same.

DOROTHY PRELLWITZ
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

Dorothy Prellwitz
Notary Public in and for said County and State
My Commission Expires Feb. 18, 1966

PLAINTIFF'S EXHIBIT 130

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

Know all men by these presents, that Occidental of Libya, Inc., (the "Company"), a Delaware corporation, acting by and through its duly authorized officers, does hereby make, appoint, designate and constitute TAHER OGBI as Agent and Attorney-in-Fact to act for and in the name of the Company to register and qualify the Company to do business in the United Kingdom of Libya and to protocolise, legalize and register in the proper offices of the United Kingdom of Libya the corporate documents and other instruments required by its laws, and take any and all other steps or do any further acts which may be required in order that the Company may be duly authorized to transact business and function in the United Kingdom of Libya;

AND THAT, Company does hereby approve, adopt and ratify all or any act or deed that the above named Agent and Attorney-in-Fact shall do or cause to be done pursuant to the Power of Attorney.

IN WITNESS WHEREOF, the Company has caused these Powers of Attorney to be made and executed by its duly elected, qualified and acting Vice President this 22nd day of January, 1965.

Robert S. Rose

ATTEST:

Secretary

(Corporate Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

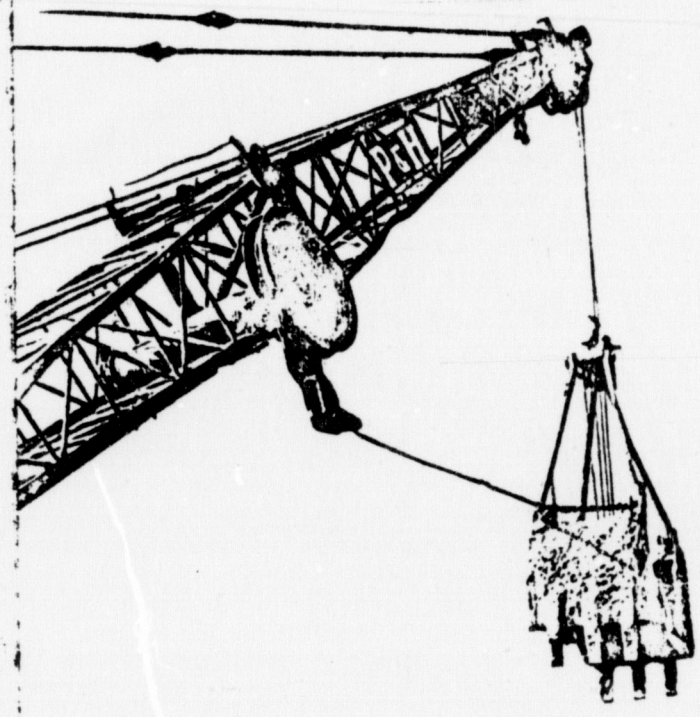
On January 22, 1965, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared Robert S. Rose, known to me to be the Vice President, and Paul C. Hebner, known to me to be the Secretary of Occidental of Libya, Inc., the Corporation that executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

Witness my hand and official seal.

DOROTHY PRELLWITZ
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

Notary Public in and for
Said County and State
My Commission Expires Feb. 18, 1966

PLAINTIFF'S EXHIBIT 130



1962



PLAINTIFF'S EXHIBIT 130

The sale of a carved-out gas production payment is an outright sale of a quantity of gas in place for cash, with deliveries to be made at a later date out of a percentage of production, by contractual arrangement between the buyer and seller. Title to the gas passes to the buyer and the risk of future deliveries is borne by the buyer with no recourse to the seller. The proceeds of these sales have been included as income in the year in which the sale is made and payment received, after appropriate deductions for estimated production expense, taxes, depreciation, depletion and amortization. The Internal Revenue Service treats sales of oil and gas production payments as current income for Federal income tax purposes, as has been affirmed by the U. S. Supreme Court.

In selling these production payments, your Company was able to achieve two purposes—first, it utilized an expiring portion of its income tax loss carry-forward as well as other tax credits as discussed below under the paragraph headed "Financial"; and, second, we were able to level out our income from the Lathrop field by increasing income during the first years of the PG&E contract when the minimum guarantees are at their lowest. Beginning January 1, 1965, based on the DeGolyer and MacNaughton estimate of reserves, the minimum "take-or-pay" is expected to double. Since these sales are made on the basis of monetary amounts, rather than for specific quantities of gas, your Company will still retain the advantages of any price escalations during the time that this gas is being delivered under the terms of the production payments.

FINANCIAL

During 1962, your Company continued to establish new records in its 42-year history. Gross revenues reached an all-time high of $13,961,675 (which includes $5,611,675 from operations, and $8,350,000 from proceeds of sales of carved-out gas production payments). This is an increase of 246% over 1961. Our net profit for the year after all charges was $6,038,466, or $1.40 per share, based on the average number of shares outstanding during the year as compared with $947,769, or 24¢ per share in 1961 on the same basis; an increase of over six hundred percent. In achieving this profit, it is important to note that it does not include any income from sales of gas to Pacific Gas & Electric Company from our Lathrop field; neither does it include any sales of gas from our Oakley, Mulligan Hills, Butte Slough and Butte Sink fields, nor any revenues from gas or oil from our Brentwood field.

Your Company's profits were entirely free of Federal income tax, due to the utilization of a portion of its tax loss carryforward and other tax credits, such as intangible drilling costs on producing wells which are capitalized as producing properties in our Balance Sheet, but charged to expense for income tax purposes, and the statutory depletion allowance for tax purposes of 27½% on sales (including sales of production payments).

Your Company is in an exceptionally strong financial condition. We closed the year 1962 with more than $7,000,000 in cash and no debt except for current accounts payable and accrued items. We call your attention to the statistical summary on Page 12 showing the remarkable growth of your Company over the past five years under present management.

On October 1, 1962, at the first anniversary date, your Company called for conversion all of its outstanding Fifteen Year 6½% Subordinated Convertible Debentures and practically 100% of these debentures were converted into common stock of the Company. **By this action, this item of debt in the original principal sum of $3,930,100 was discharged, and the burden of approximately $260,000 per year in interest was eliminated.**

At a meeting on December 3, 1962, your board of directors declared a cash dividend of 25¢ per share and a stock dividend of 4 per cent, payable January 2, 1963. In declaring this dividend your directors recognized the increased value of the Company's assets resulting from new additions to its natural gas reserves, particularly in the Lathrop field, and the earnings resulting therefrom. It was determined that the Company's dividend policy should be to pay, in cash and in market value of stock, dividends representing a major percentage of the past years' profit. In adopting this policy your Board took



Going into the hole with new drilling bit

PLAINTIFF'S EXHIBIT 130

into account the expressed desire of many of our shareholders for a dividend of stock as well as cash. **On the basis of an average market price of $20½ per share, the 4% stock dividend amounted to 82¢ per share, making the cash equivalent of the combined cash and stock dividend approximately $1.07 per share, or about 76% of the 1962 net income.** The matter of dividends will be reexamined from time to time during 1963 and your board of directors will take such action with respect to future dividends as will, in its judgment, result in an equitable distribution of profits to the shareholders, taking into account the Company's policy of reinvesting a portion of its profits in acquisitions as well as in development drilling of proven properties.

CONCLUSION

One of the most important assets of any company is the technical competence and experience of its personnel. We take this opportunity of acknowledging the important contributions made by our employees at all levels of operation. We are proud to report that practically all of them are stockholders of the Company.

Our family of shareholders has grown to approximately 13,000, many of whom became shareholders for the first time upon conversion of their debentures last fall. We are pleased to announce that, on March 8, 1963, your Company received the United Shareholders of America Management-Shareholders Award for 1962-1963.

Your management feels strongly its obligation to keep its shareholders currently informed, and we will continue to send you progress reports as important events occur. To insure prompt receipt of this news, may we suggest to those of you who have not already done so that you transfer your stock into your own names. There is no charge for this service.

During the past year we have heard from many of you. We welcome your letters, and greatly appreciate your continued support and interest.

By order of the Board of Directors,

Armand Hammer

ARMAND HAMMER, President
and Chairman of the Board

April 5, 1963

FIVE YEAR STATISTICAL SUMMARY UNDER PRESENT MANAGEMENT

	(YEARS ENDING DECEMBER 31)				
	1958	1959	1960	1961	1962
Revenue from Contract Drilling	$136,405	$ 373,428	$1,729,584	$2,795,672	$ 4,540,598
Sales of Oil and Gas, including Sales of Gas through Carved-out Production Payments (see note 4 to financial statements)	465,501	490,248	880,322	2,286,693	9,163,042
Other Operating Income	63,209	518,054	353,850	192,822	258,035
Gross Revenues	$665,115	$1,381,730	$2,963,756	$5,275,187	$13,961,675
Net Cash Operating Income (Cash Flow) (after provision for estimated future lifting costs and production taxes applicable to sales of gas through production payments)	$115,929	$ 369,935	$ 723,989	$1,917,251	$ 8,061,327
Per Share	$ .05	$ .11	$ .18	$ .49*	$ 1.87*
Net Income (Loss) after Federal Income Tax	($135,870)	($ 488,009)	($ 100,250)	$ 947,769	$ 6,038,466
Per Share	($ .06)	($ .15)	($ .02)	$ .24*	$ 1.40*
Current Assets	$634,931	$1,672,586	$2,046,206	$5,383,624	$ 7,906,091
Current Liabilities	411,720	1,312,813	662,474	2,337,977	2,497,707
Net Working Capital	$223,211	$ 359,773	$1,383,732	$3,045,647	$ 5,408,384
Current Ratio	1.54	1.27	3.09	2.30	3.17

Includes operations of wholly owned subsidiaries, Gene Reid Drilling, Inc. and Signet Oil and Gas Co.
* On average shares outstanding during year.

Five Year Summary of Wells and Footage Drilled

	1958		1959		1960		1961		1962	
	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage
Gas Wells Completed	6	32,745	5	30,641	9	61,192	17	124,490	26	189,528
Oil Wells Completed	—	—	1	3,909	6	10,248	18	29,629	4	13,950
Dry Holes	—	—	7	40,273	10	74,395	20	153,432	44	319,176
TOTAL	6	32,745	13	74,823	25	145,835	55	307,551	74	522,654

PLAINTIFF'S EXHIBIT 130

Occidental Petroleum Corporation and Subsidiaries Co

ASSETS

	1962	1961
CURRENT ASSETS:		
Cash (including $4,023,900 in 1962 and $2,622,500 in 1961 in savings and loan accounts)	$ 7,015,852	$ 4,628,001
Accounts receivable	451,117	554,059
Inventories of materials and supplies, at average cost	181,792	134,102
Drilling contracts in progress, less advance payments of $599,039 in 1961	90,481	28,569
Prepaid lease rentals, insurance, etc.	166,849	38,893
Total current assets	$ 7,906,091	$ 5,383,624
INVESTMENT IN OIL AND GAS JOINT VENTURES (Note 3)	$ 5,799,676	$ 3,604,415
PROPERTY, PLANT, AND EQUIPMENT (Note 7), at cost:		
Oil and gas properties —		
Undeveloped leases	$ 1,377,704	$ 1,058,944
Developed leases	1,661,916	1,644,613
Lease and well equipment	993,096	919,427
Intangible development costs	1,767,506	1,477,084
	$ 5,800,222	$ 5,100,068
Drilling equipment	354,797	315,004
Leasehold improvements and other equipment	435,853	237,660
	$ 6,590,872	$ 5,652,732
Less — Reserves for depreciation, depletion, and amortization	1,127,811	742,753
	$ 5,463,061	$ 4,909,979
OTHER ASSETS:		
Parker Petroleum Co., Inc. preferred stock (40,000 shares), at cost (Note 2)	$ 298,200	$ 298,200
Debenture and organization expenses, less amortization (Note 5)	10,355	173,664
Contracts and notes receivable, etc.	165,213	237,370
Cost of gas sales contract (Note 6)	123,972	—
	$ 597,740	$ 709,234
	$19,766,568	$14,607,252

The accompanying notes are an integ

PLAINTIFF'S EXHIBIT 130

Consolidated Balance Sheets December 31, 1962 and 1961

LIABILITIES

	1962	1961
CURRENT LIABILITIES:		
Note payable to bank	$ —	$ 125,000
Accounts payable	544,692	847,988
Amounts due under oil and gas properties purchase agreements	—	850,186
Advances from joint venturers for future drilling costs	80,602	239,102
Cash dividends payable	1,171,691	—
Reserve for estimated future production costs applicable to gas production payments (Note 4)	669,868	133,000
Accrued liabilities	30,854	142,701
Total current liabilities	$ 2,497,707	$ 2,337,977
FIFTEEN YEAR 6½% SUBORDINATED CONVERTIBLE DEBENTURES DUE 1976 (Note 5)	$ —	$ 3,930,100
STOCKHOLDERS' EQUITY:		
Common stock, par value 20 cents a share (Notes 5 and 10)—		
Authorized, 10,000,000 shares		
Issued, 4,693,966 shares in 1962 (increased to 4,881,436 shares in January, 1963 by payment of stock dividend — Note 9) and 4,148,432 shares in 1961	$ 938,793	$ 829,686
Capital surplus (Note 9)	10,762,554	6,661,970
Retained earnings since January 1, 1960 — Note 8 (decreased by $3,796,268 in January, 1963 by payment of stock dividend — Note 9)	5,567,514	847,519
	$17,268,861	$ 8,339,175
	$19,766,568	$14,607,252

integral part of these balance sheets.

PLAINTIFF'S EXHIBIT 130

Occidental Petroleum Corporation and Subsidiaries

Statements of Consolidated Income

For the Years Ended December 31, 1962 and 1961

	1962	1961*
INCOME:		
Net sales of oil and gas	$ 813,042	$1,086,693
Contract drilling (Note 1)	4,540,598	2,795,672
Gain on sales of working interests	—	81,683
Interest income	145,043	41,088
Miscellaneous income	112,992	89,960
	$5,611,675	$4,095,096
OPERATING COSTS AND EXPENSES:		
Oil and gas production costs	$ 308,666	$ 213,399
Contract drilling costs (Note 1)	3,936,119	2,466,338
Administrative and general expenses	902,978	466,653
Interest and debt expense	177,585	78,546
	$5,325,348	$3,224,936
Net income before other costs and expenses	$ 286,327	$ 870,160
OTHER COSTS AND EXPENSES:		
Depletion, depreciation, and amortization	$ 135,544	$ 149,129
Dry hole costs, lease abandonments, and other exploration costs	952,317	767,497
	$1,087,861	$ 916,626
Net loss before Federal income tax refund and special item	$ (801,534)	$ (46,466)
FEDERAL INCOME TAX REFUND OF SUBSIDIARY	—	25,235
Net loss before special item	$ (801,534)	$ (21,231)
SPECIAL ITEM — Income from sales of gas production payments (Note 4)	6,840,000	969,000
Net income including special item (after elimination, in 1962, of approximately $2,300,000 of Federal income taxes — Note 11)	$6,038,466	$ 947,769

*Restated to conform with 1962 classifications.

The accompanying notes are an integral part of these statements.

PLAINTIFF'S EXHIBIT 130

Occidental Petroleum Corporation and Subsidiaries

Consolidated Statement of Stockholders Equity

For the Year Ended December 31, 1962

	Common Stock		Capital Surplus	Retained Earnings
	Shares	Amount		
BALANCES, DECEMBER 31, 1961	4,148,432	$829,686	$ 6,661,970	$ 847,519
Sales of common stock at prices of $4 to $10 a share on exercise of employee stock options	84,928	16,986	464,623	—
Issuance of common stock upon conversion of debentures (Note 5)	460,606	92,121	3,635,961	—
Cost of 7,200 shares of common stock reacquired and held as treasury stock	—	—	—	(146,780)
Cash dividend of 25 cents per share (Note 9)	—	—	—	(1,171,691)
Net income, including special item, for the year 1962 (after elimination of approximately $2,300,000 of Federal income taxes — Note 11)	—	—	—	6,038,466
BALANCES, DECEMBER 31, 1962 (Note)	4,693,966	$938,793	$10,762,554	$ 5,567,514

NOTE: A 4 per cent stock dividend was declared in December, 1962, payable in January, 1963. A total of 187,470 shares of common stock was issued in payment of this dividend in January, 1963. The fair value of the common stock issued ($3,796,268) was then transferred from retained earnings to common stock ($37,494) and capital surplus ($3,758,774).

The accompanying notes are an integral part of this statement.

Notes to Consolidated Financial Statements

December 31, 1962

Note 1. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its two wholly owned subsidiaries, Gene Reid Drilling, Inc. and Signet Operating and Exploration Co. Signet Oil and Gas Co., a wholly owned subsidiary acquired in 1961, was liquidated into the Company in 1962.

All of the contract drilling (which was done by Gene Reid Drilling, Inc.) was for the Company and the joint ventures in which the Company has an interest. Contract drilling income and costs have not been eliminated in consolidation. However, intercompany profits and losses applicable to the Company's interest in wells drilled have been eliminated in consolidation.

Note 2. Investment in Parker Petroleum Co., Inc.

Parker Petroleum Co., Inc. is in receivership. In accordance with a plan of reorganization, the Company has agreed to exchange its shares of Parker Petroleum Co., Inc. preferred stock for common stock of another corporation. In the opinion of the Company, no material losses will be realized on the ultimate liquidation of its investment.

The Company has been involved for several years in litigation instituted by certain creditors of Parker Petroleum Co., Inc. Motions have been filed to assess damages against the Company and to subordinate the Company's shares of preferred stock of Parker Petroleum Co., Inc. to the interests of all shareholders of that company. In the opinion of the Company and its legal counsel, no liability will be incurred as a result of this litigation.

Note 3. Joint Ventures

The Company's investment in oil and gas joint ventures as of December 31, 1962, is stated at the Company's equity in the net assets of the joint ventures plus approximately $3,673,000 representing the Company's share of intangible development costs (net of amortization) and other capital costs not capitalized on the books of the joint ventures.

The Company's share of operating results of the joint ventures has been included in the appropriate categories of income and expenses in the consolidated statements of income.

Note 4. Gas Production Payments

The Company includes the proceeds from sales of carved-out production payments (net of provisions for applicable future lifting costs, depreciation, depletion, and amortization) in its statement of income as a special item in the year of sale. Gas sold in place under these arrangements to be produced in future periods will be excluded from income when produced.

During 1962, the Company entered into agreements with one purchaser under which three carved-out production payments were to be sold, each in the principal sum of $5 million. The agreements provide that the production payments are payable out of varying percentages of gas produced from the Company's Lathrop Field in an amount equal to the consideration received plus 6 per cent per annum of the unliquidated balance of the production payment computed monthly over the period of payment. The agreements also provide that no portion of the proceeds of sales of gas from the field will be applied to the liquidation of principal until January 1, 1965.

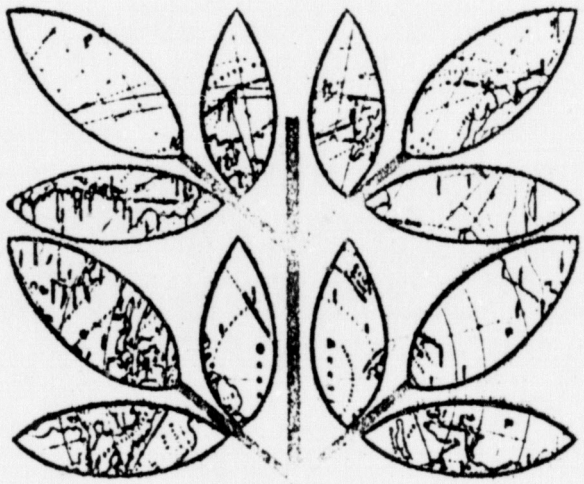
Under the above arrangements, production payments in the total principal sum of $7,750,000 were sold during the year ended December 31, 1962. In addition, a production payment in the principal sum of $600,000 was sold out of the Company's interests in another field to another purchaser. Following is a summary of significant data with respect to production payments sold in 1962 and 1961:

	Sold in 1962			Sold in 1961
	Lathrop Field	Other	Total	
Production payments sold	$7,750,000	$600,000	$8,350,000	$1,200,000
Provision for future production costs and depreciation, depletion, and amortization	1,393,000	117,000	1,510,000	231,000
Net income from production payment sales	$6,357,000	$483,000	$6,840,000	$ 969,000
Unliquidated balance of production payments at December 31, 1962	$7,750,000	$380,100	$8,130,100	$ 731,300
Estimated amount of gas required at December 31, 1962 to liquidate production payments (in thousand cubic feet)	40,942,400	1,414,000	42,356,400	2,672,000
Estimated year that production payments will be liquidated	1971*	1964		1964 and 1966

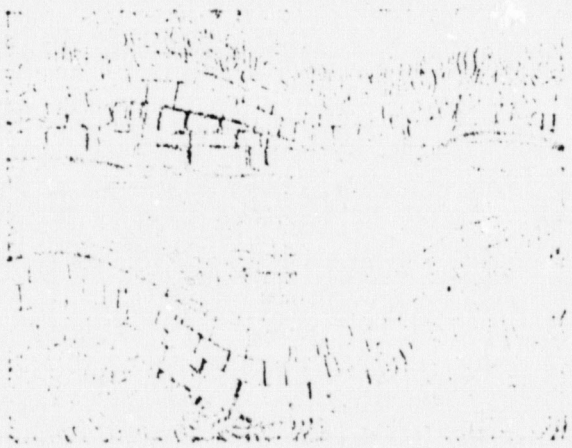
*No proceeds from sales of gas will be applied to liquidate principal until 1965.

1869a

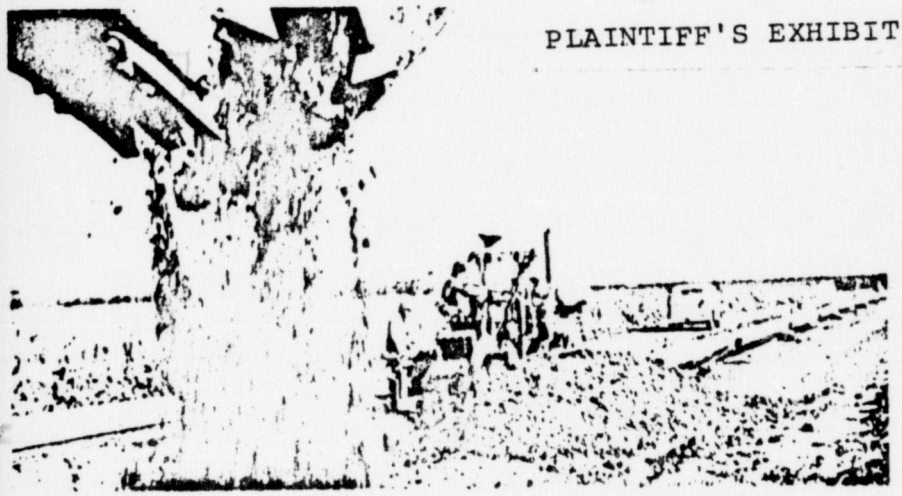
PLAINTIFF'S EXHIBIT 130



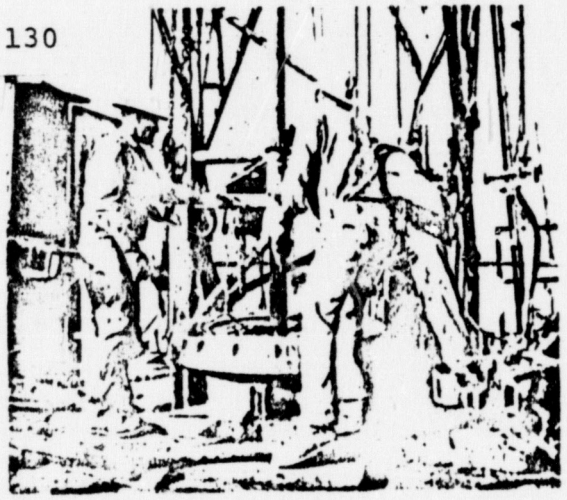
CCIDENTAL PETROLEUM CORPORATION · ANNUAL REPORT 1963



PLAINTIFF'S EXHIBIT 130



Digging the trench for pipeline



Drilling operation in progress at Occidental well in Kern County, California

25% of the total Program fund, or $2½ million if the fund is fully subscribed. By joining with investor-participants to broaden our base of exploration in this way, Occidental has been able to use its cash resources principally for development drilling on proven properties as well as for the purchase of producing properties and other acquisitions. Your company will own at least 50% of the program's interest in oil and gas field development that will result from exploration drilling, and considering the large number of prospects that will be tested in the Program your management expects significant additions to oil and gas reserves.

The successful record of Occidental's oil and gas exploration programs, which speaks for itself, has been due primarily to the superb geological, engineering and land acquisition teams headed by E. F. "Bud" Reid, Vice President and Exploration Manager and Richard H. Vaughan, Vice President and Chief Geologist; Robert A. Teitsworth, Vice President and Geologist; Charles C. Horace, Vice President and Chief Petroleum Engineer; Reese Higdon, General Superintendent - Drilling and Production; and Noeth B. Gillette, Land Manager, supported by their highly capable staffs.

We are pleased to report that the 1964 Occidental Petroleum Exploration Program has been registered with the Securities and Exchange Commission and with various state securities' commissions, including California, and copies of the final prospectus have been mailed to all of you who requested it.

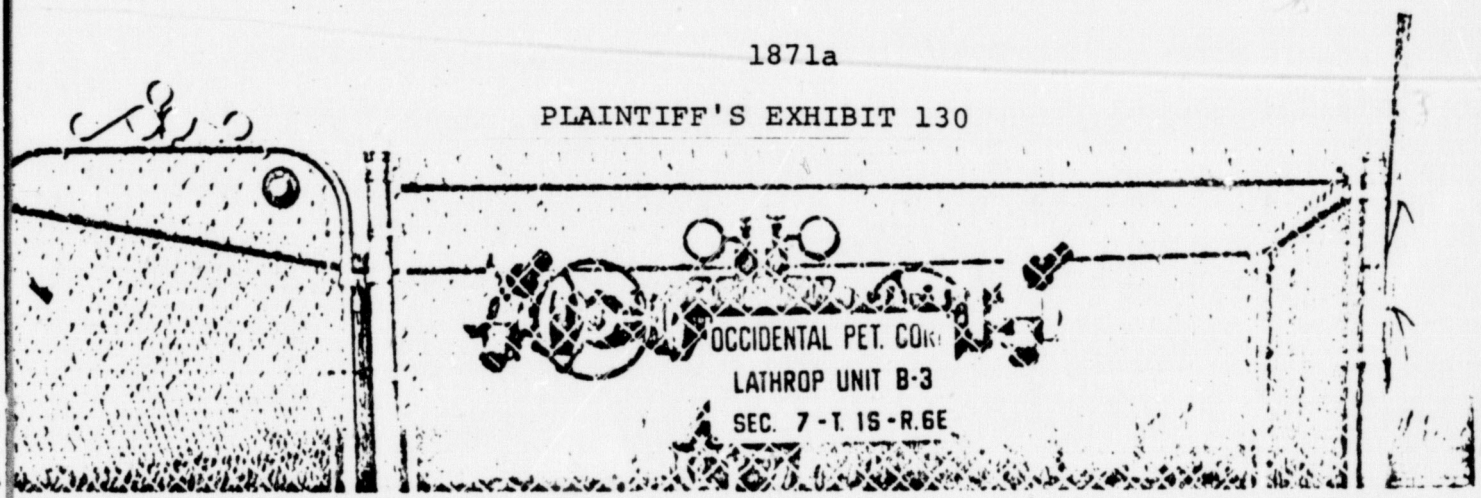
CONCLUSION:

Occidental has had a remarkable growth in the space of six years under the present management. The book value of our total assets have grown, through acquisitions and through the discovery and development of gas and oil properties, from $1,918,394 at the start of 1958 to $50,484,440 at the close of 1963. With the addition of Jefferson Lake Sulphur Company and Jefferson Lake Petrochemicals of Canada Ltd., the book value of our combined assets will be approximately $65,000,000. During the same period, shareholders book equity has grown from $1,211,889 to $31,015,205 at December 31, 1963, not including Jefferson Lake Sulphur Company or Jefferson Lake Petrochemicals of Canada. Gross annual revenues have increased from $665,115 in 1958 to $34,728,316 in 1963; and if we were to add Jefferson Lake Sulphur, Jefferson Lake Petrochemicals and INTERORE for the year 1963, total revenues for the year would exceed $100,000,000.

Occidental's executive team, in addition to those mentioned previously, consists of its chief executive officer and a group of highly qualified and dedicated executives among whom are E. C. "Gene" Reid, Senior Vice President and Executive Vice President for Oil and Gas; Lowell W. Berry, Executive Vice President, The Best Fertilizers Companies; Eugene H. Walet, Jr., Executive Vice President, Sulphur and Chemicals; and Hugh S. Ten Eyck, Executive Vice President for International Fertilizers.

We are pleased to announce that during last year Alfred Grey joined the company as a vice

PLAINTIFF'S EXHIBIT 130



president for foreign operations and corporate planning. Recently Thomas Wachtell joined our staff as executive assistant to the president. Your board of directors is composed of a distinguished group of businessmen, lawyers and economists, as well as an equal group of company executives. With the admission of our stock to trading on the New York Stock Exchange, we hope to interest the long-term investor rather than traders looking for short term profit. In this regard we would like to point out that, although oil and gas exploration and the fertilizer and chemical business are both growth industries, their economic cycles are vastly different. While the economic cycle for the fertilizer industry is usually covered in a one-year accounting period, the economic cycle of the oil and gas exploration business is a much longer one, covering in many instances twenty years or more. Therefore, the operating success of oil and gas operations will usually be expressed in accounting income over a period of many years, in contrast to the fertilizer industry whose operating results are generally reflected in its accounting income for one year. Thus, if the discoveries made during the past year were considered at their cash value in the ground, your company's earnings would have been more than double the amount reported, and the earnings in previous years would have been correspondingly increased. Barring unforeseen adverse developments, the general expectation is that the past operating success of Occidental's outstanding oil and gas geological division should produce even better results in the future, since we have expanded our areas of operations and have added more talent to our geological and engineering staffs and are constantly improving our methods, techniques and facilities. We wish to thank all of our officers and employees who have worked so faithfully during the past year and to welcome into the Occidental group the employees and personnel of The Best Fertilizers companies, INTERORE, ORE and Jefferson Lake Sulphur Company and its subsidiaries. The number of our shareholders has grown to approximately 23,000, many of whom became shareholders through mergers with The Best Fertilizer companies, International Ore & Fertilizers Corporation and Jefferson Lake Sulphur Company. We welcome these new shareholders to the Occidental family.

Over the years we have consistently maintained a policy of reporting to our shareholders important current events as they occur. In recognition of this we are proud to announce that the United Shareholders of America has awarded us its Certificate of Merit for two years in a row. We intend to continue this policy and, to insure receiving these reports promptly, we suggest to those of you, who have not already done so, that you transfer your stock into your own names. There is no charge for this service. During the past year many of our shareholders have written to us and we appreciate very much these expressions of support and interest.

By order of the Board of Directors,

Armand Hammer

ARMAND HAMMER, President
and Chairman of the Board

MARCH 26, 1964

PLAINTIFF'S EXHIBIT 130

SIX YEAR STATISTICAL SUMMARY UNDER PRESENT MANAGEMENT

(Includes Operations of Gene Reid Drilling, Inc.; Signet Oil & Gas Company; and The Best Fertilizers companies on a Pooling of Interest Basis)

	1958	1959	1960	1961	1962	1963
Oil and Gas Sales, including sales of gas production payments (See Note 5 to financial statements)	$ 465,501	$ 490,248	$ 880,322	$ 2,286,693	$ 9,163,042	$ 9,964,598
Fertilizer Products Sales	8,490,543	10,634,990	12,411,837	15,578,873	18,633,784	22,359,157
Contract Drilling Revenue	136,405	373,428	1,729,584	2,795,672	4,540,598	1,481,162
Other Operating Income	215,240	612,860	394,990	295,812	387,859	923,399
Gross Income	$9,307,689	$12,111,526	$15,416,733	$20,957,050	$32,725,283	$34,728,316
Cash Flow	$ 582,059	$ 929,561	$ 1,789,643	$ 2,568,898	$ 9,735,111	$10,253,790
Per Share(1)	$ .20	$ .25	$ .39	$ .56	$1.84	$1.89
Net Income (Loss), including sales of gas production payments (See Note 5 to financial statements)	$ 92,130	$ (305,466)	$ 270,934	$ 1,385,208	$ 6,660,934	$ 6,670,118
Per Share(1)	$ .03	$(.08)	$ .06	$ .30	$1.26	$1.23
Shares Outstanding at Year End	2,937,224	3,770,556	4,540,076	4,588,685	5,295,143	5,424,306

(1) Based on shares outstanding at each year end after giving retroactive effect to (i) the 4% stock dividend declared in December, 1962, and issued in January, 1963, and (ii) the issuance of capital stock in connection with the pooling of interests with Gene Reid Drilling, Inc., in 1959, Signet Oil & Gas Company in 1961, and The Best Fertilizers companies in 1963.

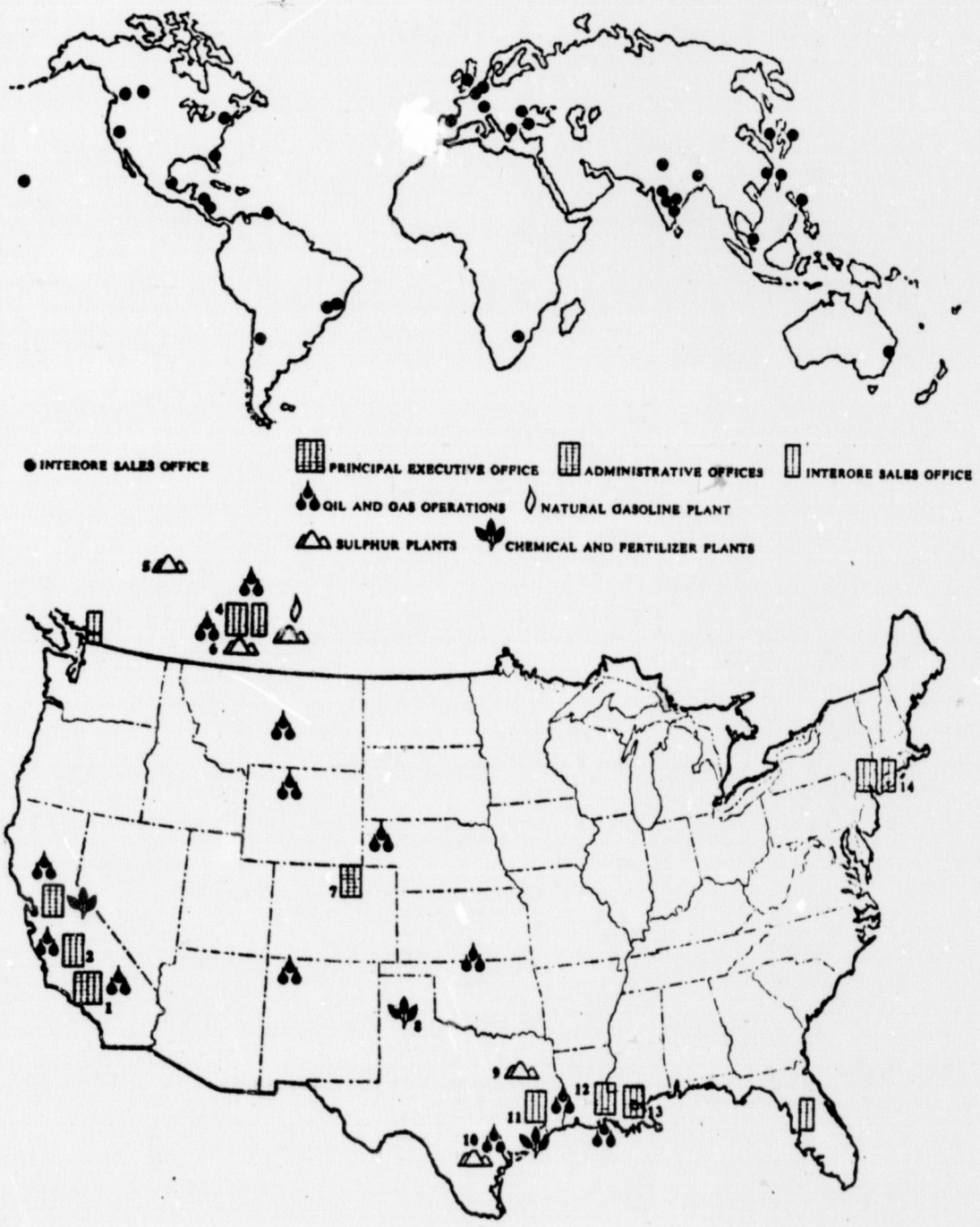
SIX YEAR SUMMARY OF WELLS AND FOOTAGE DRILLED

	1958		1959		1960		1961		1962		1963	
	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage
Gas Wells Completed...	6	32,745	5	30,641	9	61,192	17	124,490	26	189,528	20	175,663
Oil Wells Completed....	—	—	1	3,909	6	10,248	18	29,625	4	13,950	28	89,521
Dry Holes	—	—	7	40,273	10	74,395	20	153,432	44	319,176	57	405,852
TOTAL	6	32,745	13	74,823	25	145,835	55	307,551	74	522,654	105	671,036

MAP LEGEND

1 LOS ANGELES, CALIFORNIA — OCCIDENTAL PETROLEUM CORPORATION EXECUTIVE OFFICES. OCCIDENTAL RESEARCH AND ENGINEERING CORPORATION PRINCIPAL OFFICE. 2 BAKERSFIELD, CALIFORNIA — OCCIDENTAL PETROLEUM CORPORATION OPERATIONS OFFICES. 3 EXETHROP, CALIFORNIA — BEST FERTILIZERS CO. EXECUTIVE OFFICES AND PLANTS. Manufacturing complex for ammonia, pelleted fertilizer, sulphuric acid, ammonium sulphate, urea, superphosphate, and liquid mix fertilizer. 4 CALGARY, ALBERTA, CANADA — JEFFERSON LAKE PETROCHEMICALS OF CANADA, LTD. EXECUTIVE OFFICES and Operator for PETROGAS PROCESSING, LTD. plant for recovery of natural gasoline and elemental sulphur from sour gas. 5 PEACE RIVER, BRITISH COLUMBIA, CANADA — JEFFERSON LAKE PETROCHEMICALS plant for recovery of sulphur from sour gas. 6 SAVANNA CREEK, ALBERTA, CANADA — JEFFERSON LAKE PETROCHEMICALS plant for recovery of sulphur from sour gas. 7 DENVER, COLORADO — OCCIDENTAL PETROLEUM CORPORATION ROCKY MOUNTAIN DIVISION OFFICE. 8 PLAINVIEW, TEXAS — BEST FERTILIZERS COMPANY OF TEXAS PLANTS manufacturing complex for sulphuric acid, anhydrous ammonia, ammonium sulphate, pelleted fertilizers, and superphosphate. 9 LONG POINT DOME, TEXAS — JEFFERSON LAKE SULPHUR COMPANY — for production of sulphur by the Frasch process. 10 FREDERICKSBURG, TEXAS — TRANS-JEFF CHEMICAL CORPORATION plant for recovery of sulphur from sour gas. 11 HOUSTON, TEXAS — BEST FERTILIZERS COMPANY OF TEXAS manufacturing complex for ammonium sulphate, ammonium phosphate, superphosphate, and pelleted fertilizers. JEFFERSON LAKE SULPHUR COMPANY chemical plant for manufacture of cresylic acid (phenols, cresols, and xylenols). JEFFERSON LAKE SULPHUR COMPANY oil and gas division headquarters. 12 LAFAYETTE, LOUISIANA — OCCIDENTAL PETROLEUM CORPORATION LOUISIANA DISTRICT OFFICE. 13 NEW ORLEANS, LOUISIANA — JEFFERSON LAKE SULPHUR COMPANY EXECUTIVE OFFICES. 14 NEW YORK, NEW YORK — INTERNATIONAL ORE & FERTILIZER CORPORATION EXECUTIVE OFFICE. INTERORE FOREIGN SALES OFFICES. AUSTRALIA, BRAZIL, CANADA, CHILE, COSTA RICA, ENGLAND, FRANCE, FORMOSA, HONG KONG, GREECE, HAWAII, INDIA, ITALY, JAPAN, KOREA, MEXICO, MALAYSIA, NICARAGUA, PHILIPPINES, SOUTH AFRICA, SPAIN, TURKEY, VENEZUELA.

PLAINTIFF'S EXHIBIT 130



PLAINTIFF'S EXHIBIT 130

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

	DECEMBER 31	
	1963	1962 (Note 2)
CURRENT ASSETS:		
Cash (including $4,611,166 in 1963 and $4,023,900 in 1962 in savings and loan accounts)	$ 9,114,976	$ 8,007,472
Receivables (less reserves of approximately $206,000 in 1963 and $165,000 in 1962)—		
Customers	4,008,457	3,434,411
Due from affiliated companies	836,469	413,909
Other	821,192	39,043
Advances to joint ventures and amounts due from participants	1,042,677	—
Inventories, at the lower of average cost or market—		
Fertilizer products	3,017,116	2,309,498
Materials and supplies	138,827	272,273
Prepaid expenses	158,597	300,765
Total current assets	$19,138,311	$14,777,371
INVESTMENTS AND ADVANCES:		
Oil and gas joint ventures (Note 3)	$ 8,295,465	$ 5,799,676
Unconsolidated subsidiaries and affiliated companies—		
International Ore & Fertilizer Corporation (Note 2)	2,877,425	—
Other—		
Investments (Note 2)	629,531	437,975
Advances	396,438	377,525
Other investments	366,578	298,200
	$12,565,437	$ 6,913,376
PROPERTY, PLANT AND EQUIPMENT (Note 4), at cost:		
Oil and gas operations—		
Producing properties	$ 6,637,569	$ 4,422,512
Undeveloped properties	1,447,292	1,377,704
Drilling equipment	389,331	354,797
Leasehold improvements and other equipment	807,998	435,853
Manufacturing operations—		
Land	300,677	190,499
Plant and equipment	13,403,045	8,634,909
Office, warehouse buildings, etc.	1,014,726	906,467
	$24,000,638	$16,322,747
Less—Reserves for depreciation, depletion and amortization	6,211,623	5,053,584
	$17,789,015	$11,269,163
OTHER ASSETS, at cost (Note 6)	$ 991,677	$ 411,117
	$50,484,440	$33,371,027

PLAINTIFF'S EXHIBIT 130

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 1963 AND 1962

	DECEMBER 31	
	1963	1962 (Note 2)
CURRENT LIABILITIES:		
Notes payable including current maturities of long-term debt	$ 1,801,880	$ 80,055
Loans payable to savings and loan associations	1,440,000	—
Accounts payable	4,529,496	1,857,129
Advances from joint ventures for future costs	1,008,392	80,602
Federal income taxes (Note 11)	80,074	732,542
Cash dividends payable	1,353,452	1,171,691
Accrued liabilities	1,020,981	1,155,275
Total current liabilities	$11,234,275	$ 5,077,294
NONCURRENT LIABILITIES:		
Long-term debt, net of current maturities (Note 7)	$ 5,580,667	$ 3,747,307
Reserve for estimated future production costs applicable to gas production payments, net of current portion (Note 5)	1,028,581	609,868
Deferred Federal income taxes (Note 11)	51,698	126,561
	$ 6,660,946	$ 4,483,736
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	$ 1,374,014	$ 1,707,915
STOCKHOLDERS' EQUITY:		
Capital stock, par value 20 cents a share (Notes 1, 9, and 10)— Authorized 10,000,000 shares Issued, 5,424,306 shares in 1963 (including 14,600 shares held in the treasury) and 5,107,673 shares in 1962 (after giving effect to shares issued in pooling of interests in 1963—Note 1)	$ 1,084,861	$ 1,021,534
Capital surplus	21,217,996	12,449,629
Retained earnings—Notes 7 and 8 (decreased by $5,496,798 in January, 1964, by payment of stock dividend—Note 9)	8,712,348	8,630,919
	$31,015,205	$22,102,082
	$50,484,440	$33,371,027

The accompanying notes are an integral part of these balance sheets.

PLAINTIFF'S EXHIBIT 130

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES CONSOLIDATED

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1963 AND 1962

	1963	1962 (Note 2)
INCOME:		
Net sales of oil and gas	$ 2,714,598	$ 813,042
Net sales of fertilizer products	22,359,157	18,633,784
Contract drilling (Note 2)	1,481,162	4,540,598
Interest income	359,273	193,422
Miscellaneous income	564,126	194,437
	$27,478,316	$24,375,283
OPERATING COSTS AND EXPENSES:		
Oil and gas production costs	$ 450,545	$ 308,666
Cost of sales of fertilizer products	16,187,576	13,335,267
Contract drilling costs (Note 2)	1,269,831	3,936,119
Depreciation, depletion and amortization	1,293,318	893,832
Dry hole costs, lease abandonments and other exploration costs	1,644,866	952,317
Selling, administrative and general expenses	4,767,130	4,060,764
Interest and debt expense	215,544	408,505
	$25,828,810	$23,895,470
Net income before Federal income taxes and special item	$ 1,649,506	$ 479,813
PROVISION FOR FEDERAL INCOME TAXES OF CONSOLIDATED SUBSIDIARIES (Note 11)	598,950	635,524
Net income before special item and minority interest	$ 1,050,556	$ (155,711)
SPECIAL ITEM — income from sales of gas production payments (Note 5)	5,605,000	6,840,000
	$ 6,655,556	$ 6,684,289
EQUITY IN INCOME OF SUBSIDIARIES:		
Net income of International Ore & Fertilizer Corporation (Note 2)	$ 53,897	$ —
Minority interest in consolidated subsidiaries	(39,335)	(23,355)
	$ 14,562	$ (23,355)
Net income including special item (after elimination of Federal income taxes of approximately $2,000,000 in each year — Note 11)	$ 6,670,118	$ 6,660,934

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF FUNDS
FOR THE YEARS ENDED DECEMBER 31, 1963 AND 1962

	1963	1962 (Note 2)
FUNDS PROVIDED:		
Net income including special item	$ 6,670,118	$ 6,660,934
Depreciation, depletion and amortization and other noncash deductions (net)	3,583,672	3,074,177
	$10,253,790	$ 9,735,111
Proceeds from —		
Sales of capital stock	961,990	1,165,664
Sales of properties, etc.	646,936	204,098
Long-term borrowings	3,033,042	2,000,000
	$14,895,758	$13,104,873
FUNDS APPLIED:		
Additions to property, plant and equipment	$12,698,355	$ 5,021,394
Payment of cash dividends	2,572,559	1,171,691
Acquisition of capital stock	223,135	146,780
Payments on long-term borrowings	334,583	1,786,875
Investments and additions to other assets	863,167	759,689
	$16,691,799	$ 8,886,629
INCREASE (DECREASE) IN WORKING CAPITAL	$(1,796,041)	$ 4,218,244

PLAINTIFF'S EXHIBIT 130

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES CONSOLIDATED

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 1963

	Capital Stock		Capital	Retained
	Shares	Amount	Surplus	Earnings
BALANCES, DECEMBER 31, 1962	5,107,673	$1,021,534	$12,449,629	$ 8,630,919
ADD OR (DEDUCT):				
Net income including special item	—	—	—	6,670,118
Net income of pooled companies for short periods in 1962 excluded from consolidated statement of income (Note 2)	—	—	—	80,283
Capital surplus applicable to issuances of capital stock by The Best Fertilizers Co. and The Best Fertilizers Company of Texas prior to pooling of interests	—	—	1,796,704	—
Exercise of employee stock options	18,304	3,661	205,464	—
Acquisition of businesses —				
International Ore & Fertilizer Corporation and related companies (Note 1)	103,379	20,715	2,801,813	—
Other	7,280	1,456	205,613	—
Dividends paid by pooled companies on common stock prior to pooling of interests	—	—	—	(77,010)
Dividends paid by Occidental Petroleum Corporation — Cash	—	—	—	(2,572,559)
Capital stock (Note 9)	187,470	37,495	3,758,773	(3,796,268)
Cost of capital stock reacquired	—	—	—	(223,135)
BALANCES, DECEMBER 31, 1963 (Notes 7 and 9)	5,424,306	$1,084,861	$21,217,996	$ 8,712,348

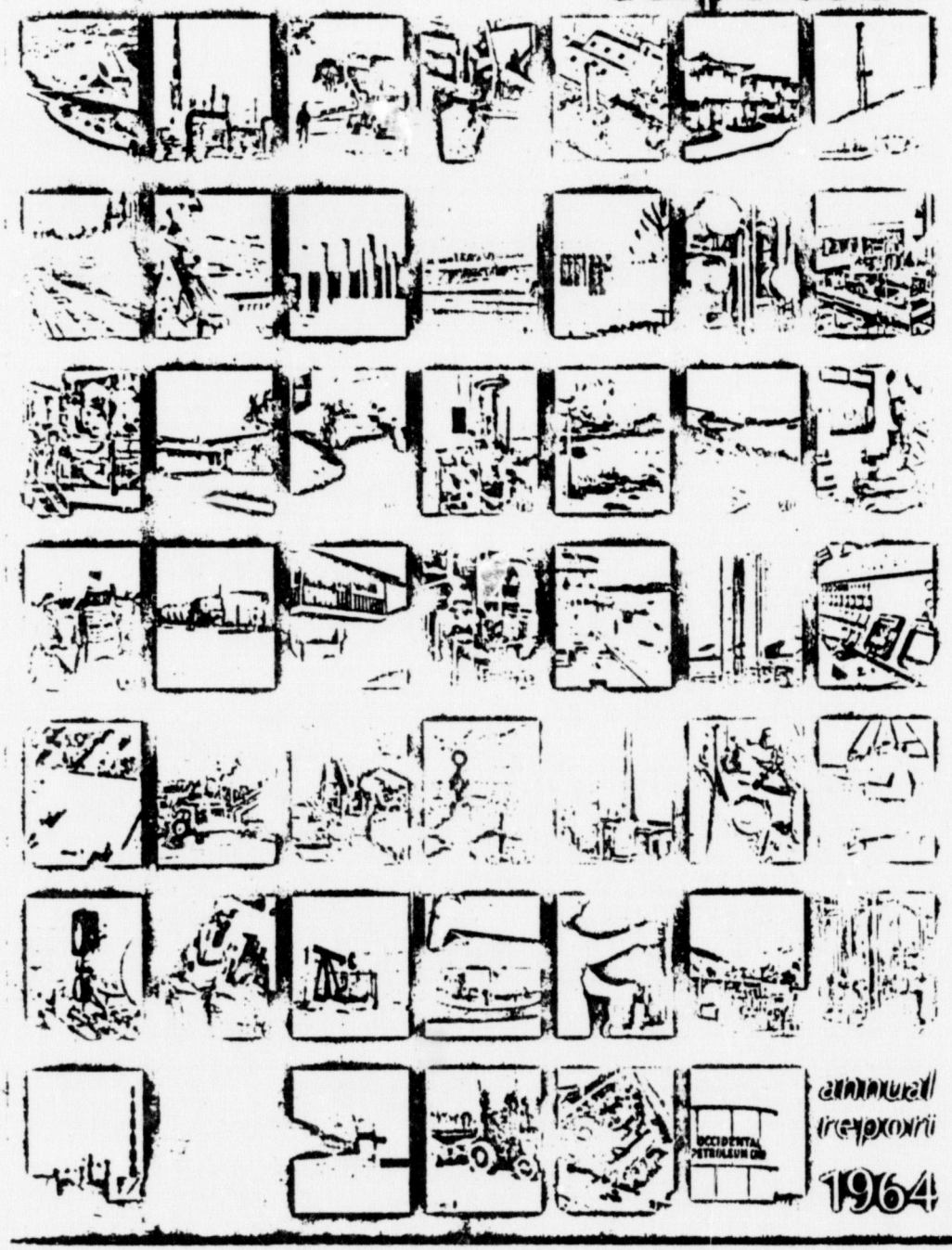
The accompanying notes are an integral part of these statements for the years ended December 31, 1963 and 1962.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 1962 (NOTE 2)

	Capital Stock		Capital	Retained
	Shares	Amount	Surplus	Earnings
BALANCES, DECEMBER 31, 1961 — previously reported	4,148,432	$ 829,686	$ 6,661,970	$ 847,519
ADD — Pooling of interests with The Best Fertilizers Co. and The Best Fertilizers Company of Texas (Note 1)	413,707	82,741	904,415	3,223,597
BALANCES, BEGINNING OF PERIOD — as adjusted	4,562,139	$ 912,427	$ 7,566,385	$ 4,071,116
ADD OR (DEDUCT):				
Net income, including special item	—	—	—	6,660,934
Exercise of employee stock options	84,928	16,986	464,623	—
Issuance of capital stock upon conversion of debentures	460,606	92,121	3,633,961	—
Reversal of entries in prior years in which accumulated deficits aggregating $782,660 were transferred to capital surplus (Notes 2 and 8)	—	—	782,660	(782,660)
Cash dividends paid	—	—	—	(1,171,691)
Cost of capital stock reacquired	—	—	—	(146,780)
BALANCES, DECEMBER 31, 1962 (Note 9)	5,107,673	$1,021,534	$12,449,629	$ 8,630,919

PLAINTIFF'S EXHIBIT 130

Occidental Petroleum Corporation



annual report

1964

1964

1879a

PLAINTIFF'S EXHIBIT 130

CORPORATE HIGHLIGHTS

The principal corporate developments discussed in this report are:

- New record high for revenues and income: net income $1.48 per share, up 20% over 1963.
- Addition of oil and gas reserves (exclusive of reserves acquired through mergers) of an estimated 23 million barrels of oil and 55 billion cubic feet of gas, valued at approximately $45 million (equivalent to $6.00 per share).
- Record total of 108 producing wells completed: 34 gas, 74 oil.
- New discoveries: East Beverly Hills, California (oil); LaCal Frio, Texas (gas); Mulvey, Louisiana (oil).
- Development of Oakley-Dutch Slough as third largest gas field in California.
- Lathrop Gas Field minimum "take-or-pay" to be doubled.
- Thermal recovery (steamflood and fireflood) operations proved successful.
- New records for production and sales set by Jefferson Lake Sulphur Company and its 69%-owned subsidiary, Jefferson Lake Petrochemicals of Canada Ltd., during first year of operation as Occidental subsidiaries.
- $15 million expansion program for Jefferson Lake's Canadian operations.
- Agreement signed with Saudi Arabian Government for $20 million ammonia plant using 100% Saudi Arabian funds.
- Best Fertilizers companies' greatest year of growth in revenues and profits.
- First commercial superphosphoric acid plant (70% P_2O_5) for new type fertilizers.
- Suwannee River Phosphate Mine opened in Hamilton County, Florida; scheduled for July 1965 completion.
- Entry into California home building field through acquisition of S. V. Hunsaker & Sons, Inc.
- Successful rights offering to shareholders, increasing equity by $21.3 million.
- Record investment in property, plant and equipment: $23.9 million in 1964 *vs* $14.8 million in 1963.

FINANCIAL HIGHLIGHTS

	1964	1963
Gross Income, excluding sales of gas production payments	$ 45,170,000	$38,791,000
Net Income	$ 9,381,000	$ 7,803,000
Net Income Per Share *(1)*	*$ 1.48*	*$ 1.27*
Total Assets at Year End	$113,462,000	$78,200,000
Stockholders' Equity	$ 47,681,000	$40,930,000
Dividends Per Share		
Cash	*$ 0.50*	*$ 0.50*
Stock	*4%*	*4%*
Cash equivalent of dividends *(2)*	*$ 1.70*	*$ 1.52*
Average Number of Shares Outstanding During Year	*6,330,000*	*6,141,000*
Number of Shareholders	*33,000*	*23,000*
Number of Employees	*1,800*	*750*

(1) Based on average number of shares outstanding after giving retroactive effect to (a) 4% stock dividend declared in December 1962, and issued in January 1963, (b) 4% stock dividend declared in December 1963, and issued in January 1964, and (c) the issuance of capital stock in connection with acquisitions accounted for as poolings of interests.

(2) On the basis of the average market price of $25.50 for 1963 and $30.00 for 1964.

PLAINTIFF'S EXHIBIT 130



Dr. Armand Hammer
President and
Chairman of the Board

REPORT OF THE PRESIDENT TO THE SHAREHOLDERS

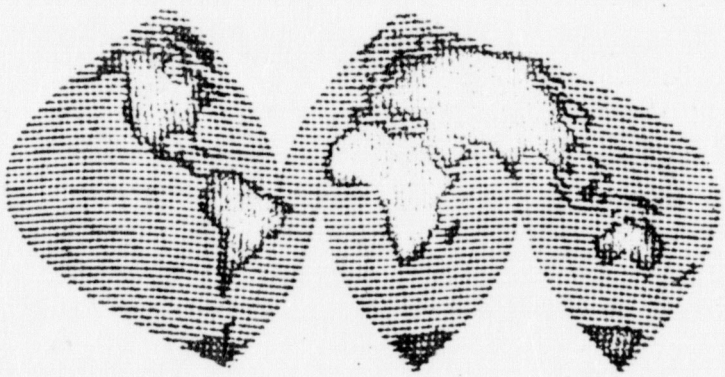
1964 marked the most dramatic year of achievement of any 12-month period in your Company's 45-year history.

From our modest beginning in the field of fertilizers and agricultural chemicals in mid-1963, we have progressed to the point where sales of these products during 1964 amounted to $110 million. This includes $82.2 million by our wholly-owned subsidiary International Ore & Fertilizer Corporation (Interore).

Exploration, development and production of crude oil and natural gas in 1964 reached all-time highs, and numerous accomplishments were also recorded in sulphur, petrochemicals and home building. Past records of revenues and profits in all areas of your Company's activities were exceeded by large margins.

PLAINTIFF'S EXHIBIT 130

Occidental
Petroleum
Corporation



Operating revenues for the year 1964, excluding unconsolidated subsidiaries, were $45,170,000 compared with $38,791,000 for the year 1963. Net income for 1964 was $9,381,000 compared with $7,803,000 for 1963, an increase of 20 percent. Per-share earnings were $1.48 for 1964 on 6,330,000 shares compared with $1.27 per share on 6,141,000 shares for 1963. Including our unconsolidated, wholly-owned subsidiaries, S. V. Hunsaker & Sons, Inc., with 1964 sales of $43.5 million, and Interore with $82.2 million, your Company had total revenues for 1964 of $171 million.

These record sales and profits were achieved in spite of a 33-day strike at Best Fertilizers' Lathrop plant last summer and the fact that, due to unforeseen circumstances, our ammonia plant at Plainview, Texas, did not go on stream until the last of May, too late for the Spring 1964 growing season. We expect that in 1965 these plants, along with other new projects discussed in this report, will contribute materially to a substantial increase in profits per share over those reported in 1964.

Since Occidental is engaged primarily in the extraction of natural resources, increases in shareholders' equity cannot be judged by annual earnings alone. The reserves of oil, natural gas, sulphur and phosphate rock added in 1964 will yield profits over the producing lives of the properties. This is particularly true with respect to oil and gas operations where vast increases in your Company's reserves resulted from our highly successful exploration activities during the past year.

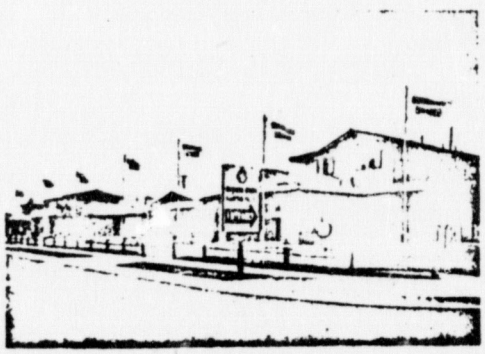
Your Company's engineers estimate that primary reserves of 55 billion cubic feet of gas and 23 million barrels of oil have been added since our last annual report, having a total discounted present value (after provision for cost of operation and development) of approximately $45 million, or about $6.00 per share. This is more than four times the value of reserves of oil and gas added during 1963.

PLAINTIFF'S EXHIBIT 130

In the Hunsaker company, as in all of our previous acquisitions, Occidental has acquired top-notch management with know-how. S. V. Hunsaker and his two sons are continuing as executives of this subsidiary. Hunsaker markets its residences through its own sales organization, and its *Sunshine Home* developments have become a hallmark of first-class construction at reasonable prices.

According to statistics compiled by Security First National Bank in its Southern California Report, new in-migrants came to Southern California during 1963 at the rate of nearly 2,000 per day, with births accounting for 674 more each day. The family units represented by these new additions create a steady flow of potential customers for Hunsaker's *Sunshine Homes*. Hunsaker will continue to emphasize home construction in the medium-price range, where the bulk of this population increase is centered.

Occidental's first step after the acquisition of S. V. Hunsaker & Sons was the replacing of Hunsaker's high-interest loans with credit at prevailing bank rates. This will be an important factor in the future profits from this company. Additionally, the liability resulting from Occidental's guarantee of Hunsaker's contingent liabilities assumed at the time of acquisition has been substantially reduced and will be eliminated, for all practical purposes, within the next few months. Hunsaker's contingent liability with respect to residential sales arises only in the unlikely event that, in case of default by a purchaser, the proceeds realized from sale of the property would be less than the amount of the mortgage. In the opinion of counsel of your Company, such a contingency is only remotely possible. Moreover, the possibility of obtaining a deficiency judgement against Hunsaker is most unlikely under California law.



Attractively landscaped and furnished model dwellings, in a wide variety of floor plans and exterior stylings, are featured at S. V. Hunsaker & Sons, Inc., Sunshine Homes developments throughout Southern California.

CONCLUSION

In 1964, Occidental had the greatest year of growth since its reorganization by present management seven years ago. Our total assets have grown from $1.9 million at the beginning of 1958 to $113 million at the close of 1964. With the proceeds from the recent rights offering, our assets have increased to $134 million. Including the assets of our unconsolidated subsidiaries (Interore and S. V. Hunsaker), the total assets of your Company have grown to approximately $200 million. These are book values and do not reflect the true value of the Company's reserves of oil and gas, sulphur, and phosphate rock.

During the same seven years, shareholder's book equity has grown from $1.2 million to $69 million (including proceeds from the recent rights offering). Gross annual revenues have increased from $665,000 in 1958 to $45 million in 1964. Including the sales of Interore and S. V. Hunsaker & Sons, the total gross revenues in 1964 were $171 million. Earnings have increased just as dramatically during this seven-year period from $92,130, or 3c per share, in 1958, to $9,381,000, or $1.48 per share, in 1964.

Our recent rights offering to our shareholders was very successful with 98.5 percent of the offering exercised. I am happy to report that every executive officer and director exercised his rights. The underwriting group, headed by Lehman Brothers, Allen and Company Incorporated, and Reynolds and Co., consisted of 53 leading banking and brokerage firms from every part of the country. Lehman Brothers advised us that this was one of the most successful rights offerings in which they had ever participated. This speaks well for the loyalty of our shareholders and the public acceptance of our securities. This offering added $21,270,000 net to our treasury, enabling us to proceed with our plans for the expansion and new products discussed in this report. Our working capital has grown on a comparative basis from $12.4 million on December 31, 1963 to $30.5 million (after the rights offering) with a current ratio of 3 to 1.

During the past year, your Company's executive staffs were strengthened through the addition of new personnel and through several organizational changes. One important benefit has been to free your president from the pyramiding administrative duties of his office.

Our enlarged foreign operations and ventures with foreign governments have made it desirable for your president to travel abroad at frequent intervals. The functions and duties of our Senior Executive Vice President, E. C. Reid, have been broadened to enable him to substitute for the President in his absence. We have recently secured the

PLAINTIFF'S EXHIBIT 130

services of Charles B. McCabe as executive administrative representative in our New York office. Mr. McCabe is a widely-known and experienced executive, having been for many years publisher of the New York *Daily Mirror*. He will provide your Company with expert representation in the East, particularly in connection with acquisitions and business development.

Thomas Wachtell continues to serve as executive assistant to the president in the Los Angeles office.

In mid-1964, Dorman L. Commons was appointed financial vice president. Mr. Commons was formerly senior vice president of Douglas Oil Company (a subsidiary of Continental Oil Company) and brings to Occidental his widespread knowledge and experience in the field of financial management. Mr. Commons is ably assisted by Charles J. Lee, corporate controller, formerly Western Division controller for Tidewater Oil Company. Last November, Lawrence E. Scott was appointed a vice president of your Company to act in the area of new acquisitions. Mr. Scott is an attorney, and was formerly an executive of Pauley Petroleum, Inc. and Standard Oil Company of California.

Walter N. Maguire resigned from the Board of Directors due to his health after several years of distinguished service. His vacancy was capably filled by the election of Dr. Louis A. Rezzonico, a director and member of the executive committee of the Pepsi-Cola Company, and a substantial stockholder of your Company. In November, S. V. Hunsaker, Sr. was elected to the Board.

The number of our shareholders has increased by approximately 10,000 over the past year, reaching about 33,000 at year-end. Many became Occidental shareholders as a result of the mergers with Jefferson Lake Sulphur Company and S. V. Hunsaker & Sons, Inc. Stockholdings by officers and key employees also increased during the year, and the powerful incentive of employee ownership is reflected in every phase of our operations. Your management and Board of Directors are proud to salute our loyal employees, without whose zeal and dedication the achievements of the past year would not have been possible. We have under study and will shortly adopt a comprehensive plan of pensions, insurance and employee benefits on a Company-wide basis.

Payment of dividends, commenced in 1962, was continued during 1964 at the same rate as in previous years, namely, 50¢ per share cash and 4 percent stock, and your Board of Directors will, prior to the annual meeting scheduled for May 4, 1965, take under consideration the matter of establishing a regular dividend policy for your Company, and of increasing the amount of the cash dividend.

Occidental was again honored for the third consecutive year with the Certificate of Merit of the United Shareowners of America.

Corporate expansion along all fronts has been the keynote of 1964, and we look forward to 1965 and beyond with the confidence that per-share profits will continue to increase above the 1964 levels from the new projects coming into production including several new or increased areas of oil and gas income.

We are happy to receive your letters and suggestions and appreciate your expressions of confidence and good will.

By order of the Board of Directors,

Armand Hammer

ARMAND HAMMER, President,
and Chairman of the Board

MARCH 26, 1965

PLAINTIFF'S EXHIBIT 130

FIVE-YEAR STATISTICAL SUMMARY
Useful Operation and Consolidated Subsidiaries

	1960	1961	1962	1963	1964
	Amounts in thousands of dollars				
Oil and Gas Sales, excluding sales of gas production payments (see note to financial statements)	$ 1,578	$ 1,859	$ 3,019	$ 5,222	$ 6,407
Fertilizer Products Sales	12,412	15,579	18,634	22,359	27,189
Sulphur and Chemical Sales	9,403	8,426	8,636	8,247	9,666
Contract Drilling Revenue	1,729	2,796	4,540	1,481	593
Other Operating Income	528	611	998	1,482	1,315
Gross Income	$ 25,650	$ 29,271	$ 35,827	$ 38,791	$ 45,170
Net income (excluding income from production payments - see note 5 to financial statements)	$ 837	$ 2,712	$ 2,800	$ 3,921	$ 9,381*
Income from production payments	– –	929	5,478	3,882	– –
Total Net Income	$ 837	$ 3,641	$ 8,278	$ 7,803	$ 9,381
Per Share (1)					
Excluding income from production payments	$ 0.16	$ 0.49	$ 0.49	$ 0.64	$ 1.48*
Income from production payments	$ – –	0.17	0.96	0.63	– –
Total	$ 0.16	$ 0.66	$ 1.45	$ 1.27	$ 1.48

(1) Based on average number of shares outstanding after giving retroactive effect to (a) 4% stock dividend declared in December 1962, and issued in January 1963, (b) 4% stock dividend declared in December 1963, and issued in January 1964, and (c) the issuance of capital stock in connection with the pooling of interests with Signet Oil and Gas Company in 1961, The Best Fertilizers companies in 1963, and Jefferson Lake Sulphur Company and S. V. Hunsaker & Sons in 1964.

**Includes tax benefit of $2,476,000, equivalent to $0.39 per share (see Note 2 to financial statements).*

SEVEN-YEAR SUMMARY OF WELLS AND FOOTAGE DRILLED

	1958		1959		1960		1961		1962		1963		1964*	
	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage	No. of Wells	Total Footage
Gas Wells Completed	6	32,745	5	30,641	9	61,192	17	124,490	26	189,528	20	175,663	32	259,001
Oil Wells Completed	–	–	1	3,909	6	10,248	18	29,629	4	13,950	28	89,521	74	325,047
Dry Holes	–	–	7	40,273	10	74,395	20	153,432	44	319,176	57	405,852	63	488,316
TOTAL	6	32,745	13	74,823	25	145,835	55	307,551	74	522,654	105	671,036	169	1,072,364

**First year Occidental ever drilled one million feet of hole – more than 200 miles.*

PLAINTIFF'S EXHIBIT 130

	Historical		Pro Forma 1964 Including Proceeds from Rights Offering (Unaudited) (Note 15)
	1964	1963 (Note 2)	
	(Amounts in thousands)		
CURRENT ASSETS:			
Cash	$ 8,211	$ 10,612	$ 24,481
Marketable securities, at cost	186	562	186
Receivables –			
Trade, net of reserves	9,656	6,828	9,656
Due from affiliated companies	2,613	1,338	2,613
Advances to joint ventures and amounts due from participants	1,773	1,043	1,773
Inventories, at the lower of average cost or market (Note 12)	8,285	6,298	8,285
Prepaid expenses	400	352	400
Total current assets	$ 31,124	$ 27,033	$ 47,394
INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED SUBSIDIARIES AND AFFILIATED COMPANIES (Notes 1 and 2):			
S. V. Hunsaker & Sons, Inc.–			
Investment	$ 7,541	$ 4,668	$ 7,541
Advances	4,681	—	9,681
International Ore & Fertilizer Corporation–			
Investment	3,176	2,877	3,176
Advances	817	—	817
Other–			
Investments	728	655	728
Advances	372	627	372
	$ 17,315	$ 8,827	$ 22,315
PROPERTY, PLANT AND EQUIPMENT (Notes 3 and 6), at cost:			
Oil and gas operations	$ 46,476	$ 29,926	$ 46,476
Manufacturing and sulphur operations	37,807	31,331	37,807
	$ 84,283	$ 61,257	$ 84,283
Less–Reserves for depreciation, depletion and amortization	24,628	22,213	24,628
	$ 59,655	$ 39,044	$ 59,655
OTHER ASSETS:			
Deferred financing costs less amortization (Note 4)	$ 505	$ 364	$ 505
Preoperating expenses, project development costs, etc., less amortization (Note 4)	3,179	1,765	3,179
Other	1,684	1,167	1,684
	$ 5,368	$ 3,296	$ 5,368
	$113,462	$ 78,200	$134,732

The accompanying notes are an integral part of these balance sheets.

PLAINTIFF'S EXHIBIT 130

BALANCE SHEETS – DECEMBER 31, 1964 AND 1963

	Historical		Pro Forma 1964 Including Proceeds from Rights Offering (Unaudited) (Note 15)
	1964	1963 (Note 2)	
	(Amounts in thousands)		
CURRENT LIABILITIES:			
Current maturities of long-term debt	$ 4,717	$ 2,904	$ 4,717
Other notes or loans payable	800	1,440	800
Accounts payable	8,002	5,157	8,002
Cash dividends payable	1,595	1,353	1,595
Advances from joint ventures for future costs	—	1,008	—
Accrued liabilities	1,834	2,811	1,834
Total current liabilities	$ 16,948	$ 14,673	$ 16,948
LONG-TERM DEBT, net of current maturities (Note 7)	$ 40,247	$ 15,328	$ 40,247
RESERVE FOR ESTIMATED FUTURE PRODUCTION COSTS APPLICABLE TO GAS PRODUCTION PAYMENTS (Note 5)	$ 1,052	$ 1,101	$ 1,052
DEFERRED PROCEEDS FROM SALE OF SULPHUR PRODUCTION PAYMENT, net of tax benefits (Note 5)	$ 1,131	$ —	$ 1,131
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 2 and 8)			
MINORITY INTEREST IN:			
Capital stock	$ 1,984	$ 2,530	$ 1,984
Retained earnings and capital surplus	4,419	3,638	4,419
	$ 6,403	$ 6,168	$ 6,403
SHAREHOLDERS' EQUITY:			
Capital stock, par value $.20 a share (Notes 7, 10, 13 and 15) – authorized 10,000,000 shares, issued, 6,407,520 in 1964 (including 16,502 shares held in the treasury) and 6,117,849 shares in 1963 (after giving effect to shares issued in pooling of interests in 1964 – Note 1)	$ 1,281	$ 1,224	$ 1,503
Warrants (Note 13)	21	21	21
Capital surplus (Notes 9 and 16)	32,474	26,242	53,522
Retained earnings (before reductions for stock dividends distributed in January, 1965 and January, 1964 – Note 9)	13,905	13,443	13,905
	$ 47,681	$ 40,930	$ 68,951
	$113,462	$ 78,200	$134,732

The accompanying notes are an integral part of these balance sheets.

PLAINTIFF'S EXHIBIT 130

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES CONSOLIDATED

[redacted]

	1964	1963 (Note 2)
	(Amounts in thousands)	
INCOME:		
Net sales of products	$43,262	$35,828
Contract drilling	593	1,481
Interest income	186	458
Miscellaneous	1,129	1,024
	$45,170	$38,791
OPERATING COSTS AND EXPENSES:		
Cost of sales of products	$31,451	$26,014
Contract drilling costs	518	1,270
Selling, general and administrative	8,222	6,655
Interest and debt expense	1,527	770
	$41,718	$34,709
	$ 3,452	$ 4,082
EQUITY IN NET INCOME OF UNCONSOLIDATED SUBSIDIARIES:		
S. V. Hunsaker & Sons, Inc.	$ 1,974	$ 803
International Ore & Fertilizer Corporation	379	54
Income tax provisions of unconsolidated subsidiaries (Hunsaker, $1,055 and Interore $455) eliminated by filing consolidated tax returns (Note 11)	1,510	–
	$ 3,863	$ 857
Net income before Federal income taxes, minority interests and special credits	$ 7,315	$ 4,939
PROVISION FOR FEDERAL INCOME TAXES OF CONSOLIDATED SUBSIDIARIES PRIOR TO THE DATES THEY BECAME SUBSIDIARIES (Note 11)	–	599
Net income before minority interests and special credits	$ 7,315	$ 4,340
MINORITY INTERESTS IN INCOME OF SUBSIDIARIES	410	419
Net income before special credits	$ 6,905	$ 3,921
SPECIAL CREDITS:		
Income from sale of gas production payments (Note 5)	–	3,882
Tax benefit resulting from losses on investments and advances not reflected above (Note 2)	2,476	–
Net income (including production payments and tax benefit from losses not reflected above)	$ 9,381	$ 7,803

The accompanying notes are an integral part of these statements.

[redacted]

	1964	1963 (Note 2)
	(Amounts in thousands)	
SOURCES OF FUNDS:		
Net income including special credits	$ 9,381	$ 7,803
Add (deduct) –		
Equity in net income of unconsolidated subsidiaries and tax benefit from losses relating to unconsolidated former subsidiary	(6,339)	(857)
Depreciation, depletion and amortization and other noncash deductions, net	2,687	5,833
	$ 5,729	$12,779
Proceeds from –		
Sales of capital stock	1,156	1,355
Sales of properties, etc.	824	697
Long-term borrowings	38,696	5,033
Sale of sulphur production payment	2,000	–
	$48,405	$19,864
DISPOSITION OF FUNDS:		
Additions to property, plant and equipment	$23,903	$14,831
Payment of cash dividends	3,249	2,573
Redemption of capital stock of subsidiaries and purchase of treasury stock	1,444	223
Payments on long-term borrowings	13,232	1,426
Investments, advances, additions to other assets, etc.	4,761	3,881
	$46,589	$22,934
INCREASE (DECREASE) IN WORKING CAPITAL	$ 1,816	$ (3,070)

The accompanying notes are an integral part of these statements.

PLAINTIFF'S EXHIBIT 130

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES CONSOLIDATED

[redacted]

	Capital Stock				
	Shares (Individual)	Amount	Warrants	Capital Surplus	Retained Earnings
			(Amounts in thousands)		
BALANCES, DECEMBER 31, 1963	6,117,849	$1,224	$21	$26,242	$13,443
ADD OR (DEDUCT):					
Net income (including tax benefit from losses relating to unconsolidated former subsidiary)	–	–	–	–	9,381
Exercise of employee stock options	26,389	5	–	396	–
Issuance of capital stock upon conversion of debentures	49,482	9	–	754	–
Dividends paid by Occidental Petroleum Corporation –					
Cash	–	–	–	–	(3,249)
Capital stock (Note 9)	213,800	43	–	5,454	(5,497)
Dividends paid in cash by a pooled company on common stock prior to pooling	–	–	–	–	(23)
Cost of capital stock reacquired	–	–	–	–	(56)
Excess of redemption price of preferred stock of a pooled company over par value thereof	–	–	–	–	(94)
Cost of shares of pooled company redeemed from dissenting shareholders	–	–	–	(346)	–
Cost of stock issue by a subsidiary	–	–	–	(26)	–
BALANCES, DECEMBER 31, 1964 (Note 9)	6,407,520	$1,281	$21	$32,474	$13,905

The accompanying notes are an integral part of this statement.

[redacted]

	Capital Stock				
	Shares (Individual)	Amount	Warrants	Capital Surplus	Retained Earnings
			(Amounts in thousands)		
BALANCES, DECEMBER 31, 1962 – previously reported	5,107,673	$1,022	$ –	$12,450	$ 8,631
ADD:					
Pooling of interests with (Note 1) –					
Jefferson Lake Sulphur Company	532,605	107	20	3,644	5,254
S. V. Hunsaker & Sons	160,938	32	–	793	2,544
Retroactive adjustment resulting from change in accounting policy (Note 6)	–	–	–	–	1,785
BALANCES, DECEMBER 31, 1962 – as adjusted	5,801,216	$1,161	$20	$16,887	$18,214
ADD OR (DEDUCT):					
Net income (including production payments)	–	–	–	–	7,803
Net income of pooled companies for short periods in 1962 and 1963 excluded from consolidated statement of income (Note 2)	–	–	–	–	295
Capital surplus applicable to issuances of capital stock by pooled companies	–	–	–	1,797	–
Exercise of employee stock options	18,304	4	–	208	–
Acquisition of businesses –					
International Ore & Fertilizer Corporation and related companies (Note 1)	103,579	21	–	2,802	–
Other	7,280	1	–	573	–
Excess of proceeds from sales of common stock by a pooled company over its par value	–	–	–	216	–
Assumption of common stock warrants of an unconsolidated subsidiary (Note 13)	–	–	1	–	–
Dividends paid by Occidental Petroleum Corporation –					
Cash	–	–	–	–	(2,573)
Capital stock (Note 9)	187,470	37	–	3,759	(3,796)
Dividends paid in cash by pooled companies on common stock prior to pooling	–	–	–	–	(88)
Cost of capital stock reacquired	–	–	–	–	(223)
Write-off, by a pooled company prior to merger, of investments and advances to an unconsolidated subsidiary considered in merger negotiations to be of no value (Note 2)	–	–	–	–	(6,189)
BALANCES, DECEMBER 31, 1963 (Note 9)	6,117,849	$1,224	$21	$26,242	$13,443

The accompanying notes are an integral part of this statement

PLAINTIFF'S EXHIBIT 130

CERTIFICATE OF CORPORATE RESOLUTION

OF OCCIDENTAL OF LIBYA, INC.

I, Paul C. Hebner hereby certify that I am duly elected, qualified Secretary of Occidental of Libya, Inc., a Delaware corporation, and the keeper of the records and corporate seal of said corporation; that the following is a true and correct copy of resolutions duly adopted at a special meeting of the Board of Directors of said corporation held pursuant to written waiver of notice on the 23rd day of September, 1963, held in accordance with the by-laws of said corporation at 10889 Wilshire Boulevard, Los Angeles 24, California, and that the same are now in full force and effect at the date hereof:

"RESOLVED, that this Company accepted the resignation of J. R. Dunlap, Manager of the Company's Libyan branch or branches, and be it

"RESOLVED, that Alfred Grey a Vice President of the Company is hereby appointed Vice President in Charge and Managing Director of the Company's Libyan operations, and be it further

"RESOLVED, that the President and any Vice President of this Company is hereby authorized to designate, constitute and appoint James E. Lawler of Via Campania 31, Rome, Italy, agent and attorney-in-fact for the Company and in its name, place and stead to represent the Company in Libya in such special capacity or capacities as said officers of this Company shall direct.

Witness my hand as Secretary of the Company and the corporate seal hereunto affixed this 24th day of September, 1963.

Secretary

(Corporate Seal)

PLAINTIFF'S EXHIBIT 130

CERTIFICATE OF RESOLUTION

OCCIDENTAL OF LIBYA, INC.

I, Paul C. Hebner hereby certify that I am duly elected, qualified Secretary of Occidental of Libya, Inc. a Delaware corporation, and the keeper of the records and corporate seal of said corporation; that the following is a true and correct copy of resolutions duly adopted at a regular meeting of the Board of Directors of said corporation held on the 19th day of January, 1965, in accordance with the by-laws of said corporation at 10889 Wilshire Boulevard, Los Angeles 24, California, and that the same are now in full force and effect at the date hereof:

"RESOLVED, that C. James Blom is hereby appointed, designated and constituted Manager of the Company's Libyan branch or branches, when, as and if established, to serve in such capacity at the pleasure of the Company's President or until a successor is appointed.

"RESOLVED, that the appointment of James E. Lawler as Agent and attorney in fact for this corporation executed under date of September 24, 1963, is hereby rescinded, annulled and cancelled.

Witness my hand as Secretary of the Company and the corporate seal hereto affixed this 4th day of February, 1965.

Secretary

Corporate Seal

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On February 4, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Paul C. Hebner, known to me, to be the person whose name is subscribed to the within Instrument, and acknowledged to me that he executed the same.

STATE OF CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

My Commission Expires Sept 27 1966

PLAINTIFF'S EXHIBIT 130

Signal Oil and Gas Company

General offices: 1010 Wilshire Boulevard, Los Angeles, California 90017

Telephone: 482-0722 • Cable address: SIGOILGAS

RUSSELL H. GREEN, JR.
EXECUTIVE VICE PRESIDENT

July 16, 1965

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California

Gentlemen:

With reference to your proposed application for oil and gas concessions from the Kingdom of Libya, this is to advise you that Signal Oil and Gas Company would be willing to enter into a crude oil purchase contract with Occidental in the event that Occidental should establish Libyan production. The terms and conditions of such contract would be mutually agreed upon.

Yours very truly

SIGNAL OIL AND GAS COMPANY

By _____
Russell H. Green, Jr.
Executive Vice President

PLAINTIFF'S EXHIBIT 130

CERTIFICATE OF RESOLUTION

OCCIDENTAL OF LIBYA, INC.

I, PAUL C. HEBNER, hereby certify that I am duly elected, qualified Secretary of Occidental of Libya, Inc., a Delaware corporation, and the keeper of the records and corporate seal of said corporation; that the following is a true and correct copy of resolutions duly adopted at a regular meeting of the Board of Directors of said corporation held on the 19th day of January, 1965, in accordance with the by-laws of said corporation, at 10889 Wilshire Boulevard, Los Angeles 24, California, and that the same are now in full force and effect at the date hereof;

"WHEREAS, pursuant to the resolutions of this Board of Directors and adopted at a meeting duly held on August 20, 1963, the proper officers of this corporation have heretofore executed and delivered a certain Power of Attorney executed under date of August 30, 1963, appointing SALHIN LENGHI as Agent and Attorney-in-Fact for this corporation to register and qualify the corporation to do business in the Kingdom of Libya, and

WHEREAS, it is the purpose of this Resolution to rescind, annul and cancel said Power of Attorney; now, therefore, be it

RESOLVED that the appointment of SALHIN LENGHI as Agent and Attorney-in-Fact of this corporation pursuant to the Power of Attorney described above be and the same is hereby rescinded, annulled and cancelled".

WITNESS my hand as Secretary of the Company and the corporate seal hereto affixed this 21st day of January, 1965.

Secretary

(Corporate Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On January 22, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Paul C. Hebner, known to me to be the person whose name is subscribed to the within Instrument, and acknowledged to me that he executed the same.

DOROTHY PRELLWITZ
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

(SEAL)

Notary Public In and For
Said County and State
My Commission Expires Feb. 10, 1968

1893a

PLAINTIFF'S EXHIBIT 130

THE CHASE MANHATTAN BANK

1 Chase Manhattan Plaza, New York 15, New York

JOSEPH C. BROADUS *Vice President*

July 22, 1965

Esq. Fund El Kabazi
Minister of Petroleum Affairs
Tripoli, Libya

Your Excellency:

It is our understanding that Occidental of Libya Inc., Los Angeles, California, is taking steps to bid for some of the relinquished acreage later on this month. This company has an authorized and paid in capital of $150,000.

This concern is a wholly owned subsidiary of Occidental Petroleum Corporation of Los Angeles. The parent concern has been active in the oil and gas business for many years and is presently engaged in exploration, development and marketing of various petroleum products. The company has been very active in petrochemicals and has shown imagination in its diversification program. The balance sheet as of December 31, 1964 reflected another year of profitable operations and current assets $31,000,000, current liabilities $17,000,000 and a net worth in excess of $47,000,000. Since the balance sheet reporting date the company has finalized a rights issue which further increased its net worth by more than $20,000,000, giving them at the present time a net worth in excess of $67,000,000.

We regard the management as capable and experienced and feel that any dealings you may have with them will be handled to your satisfaction.

Sincerely,

Joseph C. Broadus

PLAINTIFF'S EXHIBIT 130

Three Months Ended
March 31, 1965
and Subsequent Events



Progress Report

Reviaw of 45th
Annual Meeting

OCCIDENTAL PETROLEUM CORPORATION
10889 Wilshire Boulevard
Los Angeles, California 90024

PLAITNIFF'S EXHIBIT 130

OCCIDENTAL PETROLEUM CORPORATION

Condensed Summary of Operations

	For Three Months Ending March 31st 1965	1964
Consolidated Gross Revenues	$17,074,000	$11,828,000
Gross Revenues from Unconsolidated Subsidiaries: International Ore & Fertilizer Corporation and S. V. Hunsaker & Sons, Inc.	$26,172,000	$21,432,000
Total Gross Revenues, Consolidated and Unconsolidated	$43,246,000	$33,260,000
Net Income	$ 2,670,000	$ 1,669,000
Net Income per Share*	$.37	$.25

*Based on average shares outstanding during periods of 7,278,000 in 1965 and 6,695,000 in 1964.

To The Shareholders:

Since mailing our Annual Report for 1964, a number of important events have taken place, some of which were announced at our Annual Meeting held in Bakersfield, California, May 4, 1965. In this progress report we are summarizing the principal announcements and reports made at the meeting as well as bringing you up-to-date on current developments.

Increased Cash Dividend Declared on Regular Quarterly Basis

We had a very fine meeting this year with 85% of the shares represented. Your President acted as chairman and reported that, prior to the meeting, the board of directors adopted a regular quarterly cash dividend policy for the company at the annual rate of 60¢ per share; and announced the first two quarterly dividends, namely:

	Payable Date	Record Date
15¢ per share	July 15, 1965	June 18, 1965
15¢ per share	October 18, 1965	September 17, 1965

This amounts to a 20% increase over the rate of cash dividends paid in each of the past three years.

The President also advised the shareholders of his intention to recommend to the board later in the year that the company's policy over the past three years of declaring a year-end 4% stock dividend be continued for 1965.

Election of Directors

Election of directors followed and all thirteen directors of your company were re-elected, namely: Armand Hammer, E. C. Reid, Eberhard P. Deutsch, Frederic A. Gimbel, Arthur Groman, Paul C. Hebner, S. V. Hunsaker, Sr.; Neil H. Jacoby, Louis A. Rezzonico, Sr.; Robert S. Rose, Charles K. Schwartz, Hugh S. Ten Eyck and Eugene H. Walet, Jr.

Record First Quarter — Per Share Earnings Up 48%

Your President announced that earnings for the first quarter of 1965 reached a record high of $2,670,000 on consolidated gross revenues of $17,074,000. Comparative figures for the first quarter of 1964 were net earnings of $1,669,000 on consolidated gross revenues of $11,828,000. Gross operating revenues from unconsolidated subsidiaries, International Ore & Fertilizer Corporation and S. V. Hunsaker & Sons, Inc., increased from $21,432,000 to $26,172,000. Per share net earnings amounted to 37¢ for the quarter as compared with 25¢ for 1964, an improvement of 48% on the increased average number of shares outstanding.

Prospects for 1965

Our outlook for 1965 includes several new or augmented sources of income not reflected in 1964 and, based upon present projections, a profit approximating $2.00 per share for the year appears likely. Included among the sources which will add to earnings this year are:

Lathrop Gas Field:

Doubling of field minimum take-or-pay from 50,000 Mcf (thousand cubic feet) of gas per day in 1964 to 100,000 Mcf per day in 1965. The present price of 26.5¢ per Mcf will continue for the time being, but is subject to redetermination at periodic intervals in the future.

The Best Fertilizers companies:

Increased income from Plainview, Texas, ammonia and fertilizer plants and from the newly-expanded facilities at Lathrop, California, all on full production for the first time in 1965.

International Ore & Fertilizer Corporation (Interore):

Interore projects a 50% increase in sales volume for 1965, and higher profit margins than realized in 1964.

Jefferson Lake Sulphur Company and Jefferson Lake Petrochemicals of Canada Ltd.:

Increased profits from recent sulphur price increases and from stepped-up production at all producing locations.

Occidental Corporation of Florida:

First sales returns from Suwannee River phosphate mine expected in the second half of 1965.

New Oil and Gas Fields and Thermal Recovery Projects:

These include East Beverly Hills, Oakley, LaCal Frio Field, and new Louisiana discoveries, together with increased income from thermal recovery projects now in process.

Florida Phosphate Rock Mine and New Chemical Fertilizer Complex

The construction of the Suwannee River phosphate rock mine and processing plant in Hamilton County, Florida, is going ahead on schedule towards its completion target date of July 31, 1965. When the mine goes into full operation it will have a rated capacity of 1.5 million tons of phosphate rock per year, with expansion provided for 2.3 million tons per year. The processing plant will have an initial production of 1.4 million tons per year with provision for expansion to 2 million tons per year.

Prospecting on the 25,000 acre block surrounding the Black Tract properties acquired from Continental Can Company is showing results beyond those anticipated and thus far has proved up additional reserves of at least 15 million tons of

PLAINTIFF'S EXHIBIT 130

high grade phosphate rock above the 29 million tons of recoverable rock situated in our Black Tract.

Your President announced that Occidental will begin construction this summer on a $25 million phosphate chemical and fertilizer complex adjacent to the mine location, and that a turnkey contract is expected to be awarded by June 15, 1965. The complex, to be named the "Suwannee River Chemical Plant," will be a part of your company's Fertilizers Group, and will be operated by our wholly-owned subsidiary Occidental Corporation of Florida. It is expected to go on stream in the summer of 1966, producing clarified phosphoric acid, diammonium phosphate and granular superphosphate, all used in the manufacture of fertilizers. A portion of the conventional phosphoric acid (approximately 54% P_2O_5) will be used as feed stock for our superphosphoric acid plant in Lakeland, Florida. Profits from this complex are projected at the rate of $5 million per year in addition to the profits to be derived from the mine and beneficiating plant.

The financing has already been arranged for, so that the project can go forward as soon as the contractor has been selected.

Superphosphoric Acid

Your President also reported to the shareholders that several fertilizer firms have approached your company for licenses to use our superphosphoric acid process, and we are now negotiating to lease or rent the equipment on a basis similar to arrangements made by I.B.M. and Xerox, which have been so profitable for those companies. We believe this will result in very substantial income to your company while still retaining control, through our patents, of the process and equipment design.

Comments by E. C. "Gene" Reid,
Senior Executive Vice President

Mr. Reid discussed the tremendous potential of our East Beverly Hills discovery where your company expects initially to have as many as 20 well locations in the development of our approximately 500-acre lease block. He assured the shareholders that Occidental would have no difficulty whatsoever in marketing its production since companies with existing pipelines in the area are now bidding for the oil. He outlined briefly the results obtained in the company's exploratory core hole with 500 feet of net productive sand penetrated to a depth of 7000 feet, and stated there is a strong likelihood that deeper productive sands are present.

Mr. Reid continued with an explanation of the processes of thermal recovery — fire and steam flooding — stating that the company had eleven projects now in operation with two more about ready to start and others in the planning stage. He stressed the importance of the continually increasing production from thermal projects adding to the company's earnings over the balance of the year, and then indicated that our first five steam flood projects had increased from 12,941

barrels in June, 1964 to 98,105 barrels in April, 1965 and are still far from their anticipated peak production. Other fields on which operations commenced later are showing similar results.

Mr. Reid then announced that the company has made a new gas field discovery in St. Martin Parish, Louisiana, on a 1,920 acre lease block owned by Occidental and Southern Natural Gas Company. The discovery well, Dow Chemical Company No. 1, was completed at a depth of 12,791 feet and on production test, made through a ¼" opening, flowed at the rate of 4,500,000 cubic feet of gas and 89 barrels of condensate per day. The new field discovery is located about one half mile north of the Mystic Bayou Field and is bottomed in a virgin reservoir deeper than Mystic Bayou production.

Mr. Reid concluded his remarks with a discussion of the company's results in the newly discovered LaCal Frio field located in Willacy County, Texas, where the second successful well had been completed and the third was then drilling. Since then our third well has been successfully completed and we are drilling our fourth well. As soon as the fourth is completed, we expect to get our wells connected to a pipeline and commence marketing our gas. Our fifth well is programmed as a deep test of the Lower Frio sands which have very large reserves in the nearby King Ranch. (For further oil and gas developments see "Subsequent Events.")

Comments by Eugene H. Walet, Jr.,
Group Executive Vice President for Sulphur and Petrochemicals

Mr. Walet made a report discussing the world supply and demand of sulphur and compared the sulphur price situation of only a year ago with that of today, noting prices of sulphur for export have risen over this time from as low as $17.50 per ton to $31.50 per ton. He stated that, in the opinion of the industry, this trend could be expected to continue in light of the ever-increasing demand for sulphur in fertilizer and industrial applications, and he pointed out the ways in which the company's supplies of sulphur and phosphates complement themselves, with sulphur as an important element in processing of phosphate rock, as well as its growing importance as an acidulation element in plant nutrition.

Mr. Walet outlined plans for expanding domestic sulphur production and of actively seeking new sources of supply and reported that the expansion of Jefferson Lake Petrochemicals of Canada Ltd. production facilities discussed in the Annual Report was progressing on schedule and that added profits from this expansion would be reflected in 1965.

Comments by Hugh S. Ten Eyck,
Group Executive Vice President for Fertilizers

In introducing Mr. Ten Eyck, your president emphasized the importance of fertilizer and agricultural chemicals to Occidental's present and future operations. He pointed out that world population, which took thousands of years to reach the present level

PLAINTIFF'S EXHIBIT 130

of approximately 3 billion people, will double within the next 35 years according to authoritative studies by the United Nations. This will create an almost insatiable demand for food and chemical fertilizers. With its basic supply of ammonia, phosphate rock and sulphur and its unique process for the manufacture of superphosphoric acid, Occidental will be in a singularly favorable position to supply this expected demand. The importance of our superphosphoric acid can best be illustrated by the fact that we will be able to transport in one ship load the phosphatic equivalent of four ship loads of phosphate rock and sulphur. Productive capacity of our first superphosphoric acid plant at Lakeland has been raised to 150 tons per day and additional units, with twice this capacity, are being designed for our present leasing and licensing programs.

Mr. Ten Eyck expanded on the future of the fertilizer industry expressing the opinion that there was no likelihood of an over-production of fertilizers. He stated that, based on the above quoted increases in population alone, the world production of nitrates would not supply demand; that phosphates and sulphur would remain in short supply; and that in spite of the enormous expansion of the Canadian potash industry, demands for this material should exceed the present supplies by 1970. He reported specifically on each of the company's fertilizer subsidiaries and stated the integration of these companies under the Fertilizer Group was showing gratifying results. He predicted that foreign sales by Interore, which reached $82 million in 1964, would increase to approximately $120 million in 1965, with particular emphasis being placed upon expansion of South American markets where our Nicaraguan blending plant will go on stream in June of this year.

Comments by S. V. Hunsaker, Sr., Chairman of S. V. Hunsaker & Sons, Inc.

Mr. Hunsaker concluded the operating reports by outlining his company's plans for expanded operations in the forthcoming year. The company is proceeding on schedule with its development of the Millerton Lake recreational area, 15 miles from Fresno, California, midway between Los Angeles and San Francisco. This consists of 550 acres including two miles of shore frontage. Land sales have already commenced.

United Shareholders of America Award

The meeting was then opened for questions. At this point, Miss Ruth Fischel, representative of United Shareowners of America, presented the Chairman with that organization's 1964-1965 Achievement Award for Excellence in Shareholder-Management Relations, the third consecutive year in which your company has been similarly honored. After a period of questions and remarks by shareholders the meeting was adjourned.

Subsequent Events

Expansion into the National Fertilizer Markets

We have discussed with you from time to time our aim to bring Occidental's fertilizers and agricultural chemical products to market on a nationwide scale so that our domestic business

will balance our position in foreign markets. To accomplish this in the shortest time possible, your board has determined to continue the policy, so successful in the case of The Best Fertilizers companies, of acquiring already existing companies with demonstrated sales and profitability rather than to create new organizations to break into regional markets. After extensive investigations we are happy to say that, subject to accounting verifications and plant appraisals, your company expects to be able to announce shortly several acquisitions. These companies will supply outlets for substantial quantities of Occidental's raw materials and finished products from our present Florida mine and future chemical complex.

East Beverly Hills Area, Los Angeles County, California

Events are moving forward rapidly toward the time when development drilling will commence on our East Beverly Hills oil prospect. On May 13th, the Los Angeles City Planning Commission unanimously approved the formation of three drilling districts proposed by Occidental for the area, the first time that the Commission has given unanimous approval to such a project. With this recommendation, the matter will go before the Planning Committee of the Los Angeles City Council shortly after June 1st. The final step will be submission for approval to the City Council and the Mayor, after which drilling can begin.

Signal Oil and Gas Company is presently completing a well which is a direct westerly off-set to our lease block. Besides finding the producing sands discovered in our core hole, Signal's well penetrated an additional 200 feet of productive oil sand at a lower depth than the Occidental test, and there is every geological indication that this deeper zone will also be productive in Occidental's lease block. If so, all prior estimates of reserves and profitability from our discovery, originally estimated at $50 million net to Occidental after all costs and royalties, will be materially increased.

New Dual-Zone Discovery — Vermilion Parish, Louisiana

On May 20, 1965, our Gulf Coast Division announced its second discovery of the month with the successful dual-zone testing of our "Aurore D. Hebert" No. 1 exploratory well located in Vermilion Parish about 60 miles from our Mystic Bayou discovery. In an 8-hour test of a 5-foot interval in the upper zone (10,945-10,950 feet), the well flowed clean 30.4° gravity oil at the rate of 200 barrels per day through a 12/64" opening; and the lower zone, tested in the interval 11,672-11,680 feet, produced 2,910,000 cubic feet of gas and 144 barrels of 54.9° condensate on a 24-hour test through a ¼" opening.

Occidental owns 61% of the working interest in the discovery well and lease block of approximately 2,000 acres with our investor-participants owning the remaining 39%. We moved at once to develop this important discovery, and our second well is nearing its objectives. Your company's geologists estimate that many wells will be required to complete development of this new field, and pipeline connections for the sale of our production are expected in the near future.

PLAINTIFF'S EXHIBIT 130

Plans for Foreign Exploration Program

In place of a domestic exploration program this year, Occidental intends to organize a foreign exploration program for 1965, and the first prospects are now being evaluated. We have received an option to acquire a concession known as the Villadoro prospect consisting of approximately 60,000 acres in Sicily, offsetting and on trend with the Gagliano—Bronte gas-condensate field of ENI (the Italian national oil industry). Gagliano is the largest gas field in Sicily with 27 gas and condensate wells and one oil well having been drilled to date without a dry hole. Reserve estimates of the field are in the magnitude of from 2 to 3 trillion cubic feet of gas, with as much as 75 million barrels of high gravity condensate. The discovery of 45° gravity oil in one well is promising for the development of local oil accumulations in the area.

Based on the evaluation made by members of your company's geological staff, who have spent some time in Sicily, the productive potential of at least 20,000 acres of this concession appears very favorable. In addition to the Valladoro prospect, your company has the option to participate in certain other concessions granted or applied for in Sicily.

Sicily is undergoing an intensive industrial development, based on its natural gas industry and, in addition, the likelihood exists that Interore may be able to utilize a portion of any gas discovered for the production of ammonia.

Coupled with the Sicilian options, we will be entitled to participate in a number of pending oil and gas exploratory permits and concessions in other regions of Italy, some of which are in the area of the prolific Po Valley basin which contains Italy's most important petroleum production.

For several years your company has kept abreast of developments in Libya through its wholly-owned subsidiary, Occidental of Libya, Inc., which has been licensed and qualified to do business in that country. It is anticipated that the government will shortly offer concessions in a number of areas of interest and it is our intention to apply for one or more concessions which members of our geological staff have studied during their stay in Libya. We are also investigating other prospects in Saudi Arabia, Australia and Turkey.

Our foreign exploration program will be conducted by our affiliate, Occidental Petroleum Exploration Company on similar lines to our previous programs with investor-participants, and a Registration Statement is being filed with the Securities and Exchange Commission. Participations in the program may not be sold nor may offers to participate be accepted prior to the time the Registration Statement becomes effective. It is our intention that our shareholders be given the first opportunity to subscribe to the program. Those interested may communicate with Occidental Petroleum Exploration Company, 10889 Wilshire Boulevard, Suite 1500, Los Angeles, California.

Respectfully yours,

Armand Hammer

Armand Hammer, President

May 28, 1965

PLAINTIFF'S EXHIBIT 130

NORTH'S NEWS LETTER AND SPECIAL REPORTS

REPRODUCTION PROHIBITED

414 MASON ST. · SAN FRANCISCO 2 · EXbrook 2-6647
Thomas L. North, Editor & Publisher

First Hand Factual Reporting on Special Situations Primarily in the Rapidly Growing West

Information contained in this report was obtained primarily from the company or sources close to the company and has not been otherwise verified although believed to be authentic. Accuracy of this information is not guaranteed, nor is it represented that all material or available data are included.

OCCIDENTAL PETROLEUM CORPORATION

Listed--New York Stock Exchange
Pacific Coast Stock Exchange

Authorized ($0.20 par)-- 10,000,000 shs.
Outstanding-- 7,767,671 shs.

Highlights--This year's revenues are expected to exceed $200 million, including two wholly owned subsidiaries, International Ore & Fertilizer Corp., and S. V. Hunsaker & Sons, Inc. In 1964, comparable revenues were $171 million, including $82.2 million for Interore and $43.5 million for Hunsaker. Excluding these subsidiaries, sales were $45,170,000, up from $38,791,000 in 1963, and a mere $665,000 in 1958. --- Including recent financing, total assets now approximate $135 million, and with Interore and Hunsaker exceed $200 million. In 1958 total assets were $1.9 million. Assets by no means reflect the true value of Occidental's reserves of oil and gas, sulphur and phosphate rock. --- Earnings approximating $2 a share on presently outstanding shares (see above) are projected as likely in 1965, up from $1.48 on 6,330,000 average shares in 1964. --- Expanded oil and gas sales and development, rapidly improving results from thermal recovery, sharply higher sulphur prices and increased production, much expanded fertilizer sales, margins, and capacity, and initial impact from the large phosphate program will contribute to the gains. This uptrend should continue, and projections point to share earnings approximating $3 in 1966 and still higher in 1967. --- Continuing growth, internally and through well fitting acquisitions, is the objective of company's talented, in-depth management team. --- This growth was evidenced by 1965 first quarter results, which showed a 44% sales increase to $17,074,000 from $11,828,000, excluding $26,172,000 vs. $21,432,000 for Interore and Hunsaker. Earnings advanced to $2,670,000 from $1,669,000, equivalent to $0.37 on 7,276,000 average shares, vs. $0.25 on 6,695,000 shares. --- Dividends have just been increased to 15¢ quarterly from 25¢ semi-annually. The 4% annual stock dividend is practically certain to be declared again later this year. --- The early 1965 rights offering of 1,110,022 shares added $21.3 million to working capital, bringing current ratio to 3 to 1. --- Management estimates that last year's exploration added 23 million bbls. of oil and 55 billion cf. of gas to primary reserves, valued at about $45 million at present worth, or close to $6 a share. --- This year's domestic exploratory program will exceed $4 million, up from $2.75 million last year. As there will be no domestic participation program in 1965, company's share in future domestic discoveries will increase to about 100% from 61.5%. --- Occidental is organizing its first foreign exploration participation program, and has options and participation rights in promising areas in Italy, including Sicily and the prolific Po Valley. Company plans to apply for one or more concessions in Libya, and is investigating prospects in Saudi Arabia, Australia and Turkey. --- Occidental's fertilizer and agricultural chemical division is growing rapidly on a world wide basis. Potentials have barely been scratched, with the world's population expected to double in 35 years. --- Company is the only fertilizer concern to produce the three basic ingredients of sulphur, ammonia (nitrogen), and phosphorus. We are informed Occidental has obtained potentially valuable options on potash reserves to be produced by a new method which Occidental's talented research team expects to perfect. --- Occidental will begin construction immediately on a $25 million phosphate chemical and fertilizer complex at its phosphate rock mine in Northern Florida, to go on stream in the summer of 1966. Profits from this complex are projected at $5 million a year, plus profits from the mine and beneficiating plant of approximately the same amount with operations of the latter to begin next month. Acute phosphate shortages and rising prices add to the profit outlook. Profits from the superphosphoric acid plant and licensing rentals from the company's proprietary processes and equipment described below are also expected to augment the company's profits in 1965, 1966 and beyond.

S. V. Hunsaker & Sons, Inc. ---Acquired July 1964, Hunsaker specializes in the quality medium-priced home building field in Southern California. In 1964 it had sales of $43.5 million, up from $11.2 million in 1961. Last year's pre-tax earnings added $3 million to

For month trial subscription $10. Reprints of individual reports for sale by publisher at these rates: 1-24, 100 ea.; 25-49, 20¢ ea.; 50-99, 25¢ ea.; 100-199, 20¢ ea.; 200-499, 15¢ ea.; 500 and over 12½¢ ea. Four page reports 5¢ per copy additional. Non-subscribers' postage prepaid or charged. Approximately 75 to 100 reports issued annually. It is anticipated that the subject company may obtain at least two thousand copies of this report.

PLAINTIFF'S EXHIBIT 130

Occidental's reported earnings, returning in the first year about two-third's of Occidental's investment. Advances by Occidental have facilitated replacement of Hunsaker's high interest loans with more favorable financing. Home building complements the tax and cash throw characteristics of Occidental's primarily extractive industries. Occidental may have anticipated correctly a turn in the home construction business with good timing in the acquisition of Hunsaker just as it did with Jefferson Lake Sulphur and Jefferson Lake Petrochemicals. The June 5 issue of Business Week states "April contracts for privately-financed (home building) jumped 13% over the March tally and gave this category its first year-to-year improvement in eight months."

Important Los Angeles Basin Discovery And Prospects--An Occidental corehole on a 500 acre block in the East Beverly Hills area of Los Angeles late last year penetrated 500 net feet of productive oil sand (Occidental's interest is 61%). Directional development drilling expected to start in August 1965 should add substantially to profits beginning in last half of this year. Company engineers estimate that this 500' zone should yield after all costs $30 million net to Occidental's interest over the next 10 years. This estimate does not give effect to 200' of additional deeper productive sands just discovered by Signal in an offset well. A still deeper zone prospect will be tested later.

Large potentials still remain in the rich Los Angeles Basin. As the metropolitan area expanded, many known geological structures remained untested or only partly developed. New drilling techniques now make urbanized drilling feasible. Occidental has under lease in the City of Los Angeles several prospects some of which offset properties which have been cored successfully and which are expected to be ready to drill shortly in joint operation with a major oil company. One of these leases offsets a field producing 4000 B/D out of 6 wells. Occidental also has several other leases in the Los Angeles Basin on which it expects to start core drilling shortly.

Favorable Northern California Gas Developments--At Lathrop, California's second largest gas field (61% owned by Occidental), Pacific Gas & Electric has doubled as of Jan. 1, 1965, the minimum "take-or-pay" to 100,000 MCF per day from the previous 50,000, to be reviewed again later. Field performance thus confirmed a De Golyer and MacNaughton early estimate of three-quarters of a trillion cubic feet of reserves. Present price of 26.5¢ per MCF ($26,500 a day) is subject to periodic redetermination.

Intensive development at Oakley-Dutch Slough confirms this as California's third largest gas field. Occidental and participants have approximately a 40% interst in 11 wells (four are dual completions). A PG&E "take-or-pay" contract starting April 1, 1965, includes 14 million MCF/day for Occidental and participants, with substantial quantities of condensate produced. New and deeper pools on this 4500 acres will be explored in 1965.

Recent Discoveries And Developments--In April and May, 1965, the Gulf Coast Division scored two discoveries in Louisiana. The first was the Mystic Bayou discovery in St. Martin Parish, near Lafayette where Dow Chemical #1 completed with 4000 MCF/day with 80 B/D of condensate. Occidental and Southern Natural Gas each own 50% of the 1900 acre lease. Sale of gas will commence rapidly, and fast field development is planned, including testing of two possibly deeper zones of great potential. The second discovery was the Mulvey Field in Vermilion Parish, and included an oil zone testing 200 B/D and a gas-condensate zone testing 2910 MCF/day with 144 B/D of condensate. Occidental is now drilling its third well to rapidly develop the 2000 acre lease block (Occidental's interest is 61%) which may require many wells.

Company is drilling its fourth well in its newly discovered LeCal Frio gas-condensate field in Willacy County, Texas, where a 40% interest in 3000 acres is held by Occidental and participants. The Upper Frio sands are multiple. Company will soon test the Lower Frio sands which in nearby King Ranch have reserves estimated at one trillion c.f. per section.

Jointly with another oil company, Occidental is developing 17,300 acres in the Anadarko Basin, Oklahoma, and has completed 33 wells, several of which are dual zone.

Secondary Thermal Recovery Operations Moving Toward Large Potentials--Occidental now has 11 thermal recovery projects (fire and steam flooding) in operation, two ready to start and others planned. Total target encompassed by company's thermal operations amounts to 600 million barrels in place, of which 35% to 45% might be considered recoverable. Company's first five steam flood projects have shown production increases from 12,941 bbls. in June 1964, to 98,105 bbls. in April 1965 and are still far from anticipated peak. Other fields commenced later are showing similar results. Thermal recovery promises greatly for future profits, particularly in the second half of 1965, and in 1966.

Foreign Exploration Program--First prospects are now being evaluated for a very substantial oil and gas exploration program abroad. Occidental has an option to acquire the 60,000 acre

PLAINTIFF'S EXHIBIT 130

Villadoro concession in Sicily, offsetting and on trend with the Gagliano-Bronte field, Sicily's largest gas field with 27 gas-condensate wells and one oil well drilled to date without a dry hole. Reserve estimates of the field are 2 to 3 trillion cf. of gas with up to 75 million bbls. high gravity condensate. Company's geological studies indicate at least 20,000 acres of this concession appear very favorable. Sicily is undergoing intensive industrial development based on its natural gas. Interore may utilize a portion of any gas recovered for production of ammonia. Occidental has the option to participate in certain other concessions granted or applied for in Sicily, as well as in a number of pending oil and gas exploratory permits and concessions in other regions of Italy.

Jefferson Lake Sulphur Company--A Very Successful Acquisition--This acquisition was extremely well timed. Three weeks after the contract was signed the price of sulphur began to rise from the depressed price of $17.50 a ton and has now reached the export price of $31.50. In view of worldwide shortages and expanding demand, the uptrend should continue. Occidental earnings have not yet fully reflected this price increase, because of prior unexpired contracts, most of which run out this year or next. Sulphur is important in processing Occidental's phosphate rock, and is of growing importance as an acidation element in plant nutrition. Jefferson Lake produces from Long Point Dome on the Texas Gulf Coast, operates a sulphur recovery plant from gas in Tilden, Texas, and is increasing its chemical complex production at Houston. A program for increasing domestic sulphur production and reserves is underway.

Jefferson Lake Petrochemicals produces sulphur from sour gas in Canada. A $5 million expansion program will be completed this year and a $10 million program next year, all financed by long range borrowings. These will involve sulphur, gas, LP-gas, and natural gasoline. Petrochemical's sales in 1964 were $4,913,000, up from $4,023,000 in 1963, while earnings advanced to $1,353,000, or 66¢ a share, from $932,000, or 46¢. Petrochemical's recent market value (listed ASE) for Occidental's 69% ownership of the 2,041,000 outstanding shares approximated $25 million, about $21.5 million greater than book carrying value.

FERTILIZERS AND AGRICULTURAL CHEMICALS--AN INFANT INDUSTRY AND A WORLD WIDE MARKET--Occidental has already made vast strides toward its goal of becoming basic in the major elements of fertilizers and to produce and market these products on a global scale. All activities have been aligned operationally into to one closely coordinated unit.

Management expects to be able to announce shortly several acquisitions which will extend company's marketing of fertilizers and agricultural chemicals from present California, Texas and Southwest markets into new regions of the United States, with full national coverage projected two years hence. At that time, domestic sales are targeted to equal Interore's foreign sales, which this year are projected at $120 million with improved margins, up from $82 million in 1964. Interore will have the tremendous advantage of adding mining and manufacturing profits to its present marketing profits from sale of its fertilizers.

The Best Fertilizer Companies--A record 1964 should be far exceeded in 1965, following phasing in of the $8.5 million construction program at various times in 1964, combined with strong demand. The Lathrop, Calif., anhydrous ammonia capacity was increased by 67%. At Plainview, Texas, an entirely new fertilizer complex was established bringing Texas production to nearly three times that of a year ago. A Houston plant is also operated.

The highly sophisticated California grower draws increasingly on a wide range of prescription formulated Best products. Special emphasis is being placed on the highly profitable urban market where Best's Garden and Lawn division markets over 70 products. In many areas of Texas and the Southwest, such products have only begun to gain widespread acceptance. Best's sales group of technically skilled agronomists and soil experts are introducing farmers to the benefits of specialized programs of soil enrichment.

Management sees a great growth opportunity for the Best Express Division. A basic patent for Best's cryogenics development in the shipment of fresh fruit and vegetables in a nitrogen gas atmosphere is expected soon. Fifty new refrigerated vans have been placed in service for shipment of perishables to eastern markets and 100 more will be added shortly. When fresh produce is shipped in an inert nitrogen gas atmosphere, produce is "put to sleep", arriving in almost field-fresh condition.

Occidental Research & Engineering Corp.--Occidental's outstanding future in the phosphate ...tion of the fertilizer business relates not only to its large reserves of phosphorus in Florida and Morocco but to its control of world wide rights to make an 80% non-corrosive superphosphoric acid, which may be shipped from the raw material supply source to point of blending with other ingredients. Present phosphoric acid (54% P_2O_5) is highly corrosive and

PLAINTIFF'S EXHIBIT 130

extremely difficult to handle, necessitating shipment of phosphate rock, which is 69% waste. Management regards the potential of its superphosphoric acid as enormous, as the much lower unit costs and other advantageous features should open up vast new markets in under-nourished countries. A shipload of superphosphoric acid would be the phosphatic equivalent of four shiploads of phosphate rock and sulphur. The high qualtiy of this superphosphoric acid lends itself to many industrial uses in products requiring a clear, clean liquid, at much lower cost than comparable material now available. Revolutionary new fertilizers are expected to result from the new blends now possible, and this subsidiary is now hard at work on these and other projects.

Several fertilizer companies have approached Occidental to use this process, and management is now negotiating equipment lease or rent arrangements similar to the profitable formats used by IBM and Xerox. This is expected to result in very substantial income to Occidental, enabling it to retain control of the process and equipment design.

Occidental Corporation Of Florida--This wholly-owned subsidiary has 30,000 acres of phosphate lands in Northern Florida upon which 53 million net tons of high-grade phosphate rock on approximately 15,000 acres have been proved, with reserves expected to reach about 100 million tons upon completion of present prospecting during the next few months. The Suwannee River Phosphate Mine, recovery plant, drying plant and dry-storage shipping facility will be operating in July 1965, with the 1,500,000 ton annual capacity capable of being expanded to 2,300,000. This will permit shipments of rock from the plant and mine by rail, or from the deep water terminal which company is constructing at Jacksonville at cost of about $3 million. This provides a freight advantage for shipments to the Eastern Seaboard of the U. S. and Europe over competitors in the Tampa area. The plant will also feed the Hereland superphosphoric acid plant, recently expanded to 150 tons a day. The new $25 million Suwannee River phosphate chemicals plant will produce clarified phosphoric acid, diammonium phosphate and granular triple superphosphate, all used in fertilizers, for which the company already has an established market both domestic and foreign.

International Fertilizer Operations--Use of chemical fertilizers is in its infancy abroad. Interore's outstanding sales organization now has branches in 27 countries and operates in more than 60. It provides effective implementation of the marketing requirements and surpluses of all members of the fertilizer group.

A superphosphoric acid plant is planned in Morocco to be owned jointly by Occidental and the Moroccan Government. A minimum of 5,000,000 tons of phosphate rock is to be delivered by that Government, under terms of the contracts, as needed for 99 years from Morocco's huge deposits. Initial capacity of 1000 tons a day is expected to be increased in stages to 5000. Economically related to this is the new Saudi Arabian Government's planned and financed plant to produce 600 tons per day of anhydrous ammonia and related products, with gas to be furnished free until 1984. Occidental is to receive 10% of the profits for 20 years, and Interore will receive 5% of the sale price of products. Interore can economically reach vast new potential markets from these two plants.

Occidental is currently negotiating with partners to construct a large ammonia plant located on deep water in the Gulf of Mexico to complement Florida phosphate rock and acid production in the Western Hemisphere. The first phase of a mixed fertilizer plant involving local interests will shortly be completed in Nicaragua. In Venezuela, joint-venture studies are underway looking toward a multimillion dollar chemical complex in the Guayana area.

Management--Dr. Armand Hammer, Chm. and President, has been carefully building a top-notch group of senior officers and an executive organization in depth. Senior officers are: E. C. Reid, Senior Exec. V. P. & Dir.; H. S. Ten Eyck, Group Exec. V. P. for Fertilizers & Dir.; E. H. Walet, Jr., Group Exec. V. P. for Sulphur & Petrochemicals, & Dir.; Ernest Csendes, Exec. V. P. for Research, Engineering & Development; R. S. Rose, V. P., Gen. Counsel & Dir.; D. L. Commons, Financial V. P.; E. F. Reid, V. P. & Exploration Mgr.; R. H. Vaughan, V. P. & Chief Geologist; C. C. Horace, V. P. & Chief Petroleum Engineer; R. A. Teitsworth, V. P.-Geology; P. C. Hebner, Sec.-Treas. & Dir.; C. J. Lee, Controller; Thomas Wachtell, Executive Asst. to the President; C. B. McCabe, Administrative Representative, New York. Other Directors are: Eberhard P. Deutsch, Frederic A. Gimbel, Arthur Groman, S. V. Hunsaker, Sr., Neil H. Jacoby, Dr. Louis A. Rezzonico, Sr., Charles K. Schwartz.

Executive Offices: 10889 Wilshire Blvd., Los Angeles, California.

Additional complimentary copies of this report will be provided by the publisher on request.

1903a

PLAINTIFF'S EXHIBIT 130

KERR & COMPANY

Engineers

July 16, 1965

OCCIDENTAL PETROLEUM CORPORATION

SUMMARY With the acquisition of The Best Fertilizer companies of California and Texas and the timely purchase of Jefferson Lake Sulphur with its interest in Jefferson Lake Petrochemicals, Occidental Petroleum (Oxy) obtained extensive interests in sulfur, agricultural chemicals and fertilizers. In 1964, Oxy purchased phosphate rock deposits in Northern Florida and production from its Suwannee River Mine and beneficiating plant has commenced. Oxy has started construction of a $25 million phosphate chemical and fertilizer complex at the mine site to start operations in the summer of 1966.

Potash properties in the U. S. have been optioned to round out Company's fertilizer line. Through the acquisition of International Ore & Fertilizer Corporation "Interore", Occidental has obtained the business of a world-wide fertilizer marketing organization. Oxy's major objective now is to develop a broad domestic market for fertilizers that will balance present distribution in foreign markets. Recent acquisition of Green Belt Chemical Co. (markets in Ohio, Indiana, & Michigan) and further acquisitions pending into other areas of the country implement this policy.

Production of oil and natural gas continues as a major activity. Proved oil reserves are currently estimated by Company at 52,028,000 bbls. net, excluding 5,022,000 bbls. net in Canada (66.3 per cent equity) of Jefferson Lake Petrochemicals. Proved reserves of natural gas are estimated at 425 billion cubic feet net to Company, excluding net Company's interest in Canadian gas reserves of 176 billion cubic feet.

Occidental is in a strong financial position. Company's total earnings for 1965 are estimated at about $2 per share. Future prospects for Occidental Petroleum are exceptionally promising and the common stock is an equity of improving quality.

DESCRIPTION OF COMPANY Occidental Petroleum Corporation, incorporated in California in 1920, is engaged in drilling for and producing oil and gas, and through its subsidiaries, Occidental Agricultural Chemicals Corporation, The Best Fertilizers companies of California and Texas, Green Belt Chemical Co., and Interore, manufactures and markets fertilizers and agricultural chemicals. Through Jefferson Lake Sulphur and its Canadian subsidiary, Oxy engages in the field of sulfur and petrochemicals. Occidental also has phosphate rock holdings in Florida and through another wholly-owned subsidiary, S. V. Hunsaker & Sons, Inc. builds and sells medium priced homes in Southern California.

CAPITALIZATION
March 31, 1965

Long Term Debt: $43,288,000
Minority Interest: $6,656,000

Common Stock: 7,786,435 $0.20 par shrs.

EARNINGS

Year	Gross Income	Depr., Depl., & Amort.	Net Income†	Per Common Share (a) Earned	Paid	High	Low
1965 est.	$72.00 mil.	N.A.	$15.50 mil.	$2.00	$0.60+	29⅜	21
1964	45.17	2.69	9.38	1.48	0.50+	35	23½
1963	38.79	2.46	7.80	1.27	0.50+	31¾	19⅝
1962	35.83	1.85	8.28	1.45	—	26⅞	12½
1961	29.27	0.92	3.64	0.66	—	25⅜	4⅝
1960	25.65	0.94	0.84	0.16	—	17¾	3¼

+ Plus 4% stock. † Includes production payments 1951 to 1963 and special tax benefits 1964.
(a) On shares outstanding end of each year.

1904a

PLAINTIFF'S EXHIBIT 130

Occidental acquired Gene Reid Drilling Company in 1959, a leading contract driller in California. Late in 1961, Company purchased all of the outstanding stock of Signet Oil and Gas Co. The Best Fertilizers Co. and The Best Fertilizers Company of Texas were acquired July 1, 1963 for 421,053 shares of Occidental common. Interore was acquired in December, 1963 for 103,579 shares of Occidental. Jefferson Lake Sulphur was obtained for 532,605 shares of Occidental Petroleum in March, 1964 and was merged into Occidental.

Jefferson Lake Sulphur produces oil, natural gas, sulfur, cresylic acid and sodium sulphide. As a result of this merger, Company owns 66.3% of the outstanding shares of capital stock of Jefferson Lake Petrochemicals of Canada, Ltd., which produces natural gas and gas liquids in Canada and produces and markets sulfur from concentrated hydrogen sulphide gas in several fields in western Canada. In July, 1964, Occidental Petroleum acquired S. V. Hunsaker & Sons, one of the nation's largest home builders. Properties are located chiefly in Southern California.

Other Occidental wholly-owned subsidiaries include Occidental Corporation of Florida, operator of the Florida phosphate mining and processing properties and Occidental Research & Engineering Corporation, which conducts basic research and engineering and developed the Occidental superphosphoric acid process. Occidental Agricultural Chemicals Corporation operates the Lakeland, Florida superphosphoric acid plant and other activities in related fields.

In July, 1965, Green Belt Chemical Co. was acquired for 73,750 shares of Oxy stock. Green Belt is a leading producer and marketer of fertilizers and agricultural products in Western Ohio, Indiana and Michigan, with 25 buik blending plants, providing Occidental with a substantial outlet for its products in the Great Lakes states. Sales for 1964 were $7.8 million and $10 million sales are projected for 1965.

Book value of total assets of Occidental at March 31, 1965 amounted to $138,484,000 excluding two unconsolidated subsidiaries, S. V. Hunsaker and Interore; and long term debt of Oxy and consolidated subsidiaries was $43.3 million. Current assets of Oxy at March 31, 1965 amounted to $39.4 million vs current liabilities of $14.5 million. Early in 1965 Company offered rights to buy 1,110,022 shares of common stock through an underwriting group headed by Lehman Brothers, Allen and Company Incorporated, and Reynolds and Co. The underwriters stated that this was one of the most successful rights offering in recent years.

For the first quarter of 1965, earnings reached a record high of $2,670,000, an increase of 60% over the same period in 1964, on consolidated gross revenues of $17,074,000. Comparative figures for the first quarter of 1964 were net earnings of $1,669,000 on consolidated gross revenues of $11,828,000. Gross operating revenues for the first quarter from unconsolidated subsidiaries, Interore and S. V. Hunsaker & Sons, Inc., increased from $21,432,000 to $26,172,000. Consolidated debt is modest in relation to total assets of $138.5 million, as of March 31, 1965, up sharply from assets of $1.9 million at the beginning of 1958. Per share net earnings amounted to 37 cents for the quarter as compared with 25 cents for 1964, an improvement of 48 per cent notwithstanding the increased average number of shares outstanding following the rights offering. Dividends are currently at the rate of $0.15 quarterly and Company has also paid 4 per cent in stock during the last few years. No change in this dividend policy of 60¢ per annum rate and 4% stock is anticipated in 1965.

INVESTIGATION AND EVALUATION

Occidental Petroleum Corporation, in 1957, was a small oil and gas producer with sales of less than $1,000,000 annually. Today, Occidental Petroleum is a widely diversified enterprise with extensive interests in fertilizers, agricultural chemicals and sulfur and had annual sales in 1964 from consolidated and unconsolidated subsidiaries of some $171 million, with approximately $200 million indicated for 1965.

Company's fertilizer and agricultural chemical business is a logical part of the enterprise. Nitrogen, potash, sulfur and phosphates are essential ingredients of commercial fertilizers. Several oil companies have discovered potash beds in their search for oil. The nation's major sulfur domes on the Gulf Coast were also first found through drilling for oil and natural gas. A major source of nitrogen is that derived from natural gas in the form of ammonium nitrate, ammonium sulfate and anhydrous ammonia. Occidental now has three of the above principal ingredients and acquisition of potash properties in the U. S. A. is under option.

PLAINTIFF'S EXHIBIT 103

FERTILIZER AND AGRICULTURAL CHEMICALS Occidental Petroleum, within a brief two-year period, has become firmly established in the rapidly growing world fertilizer business. Company's success in attaining a dominant position in this field may be attributed to its aggressive and farsighted policy of acquiring companies that would provide a broad base for production and distribution of fertilizers on a worldwide basis. The Best Fertilizers business, as the largest independent fertilizer distributor in California and Texas, provided $27.2 million of sales in 1964. Occidental's wholly-owned subsidiary, Interore, is the world's largest international marketer of fertilizers and reported $82.2 million of total sales in 1964 (not consolidated with Oxy).

Jefferson Lake Sulphur Company is the third largest producer of sulfur in the U. S. It reported 1964 sales of $9.7 million. Its 66.3 per cent owned subsidiary, Jefferson Lake Petrochemicals of Canada, Ltd., is the second largest producer of sulfur in Canada and reported 1964 sales of $4.6 million.

In September, 1964, Interore purchased the H. A. Black reserves of phosphate rock under a 5,300 acre tract of land in Hamilton County, Florida. The property, now known as the Suwannee River Mine, was acquired from Continental Can Company under an agreement which provides for a total purchase price of not less than $4,500,000 payable at the rate of 40 cents per ton of phosphate rock mined (subject to adjustment for Bone Phosphate of Lime (BPL) content) or $300,000 a year, whichever is greater. In the same agreement, the company received an option to purchase on the same terms an aggregate of approximately 25,000 additional acres of potential phosphate reserves adjacent to the Black Tract.

In 1964, Oxy carried on a comprehensive testing and coring program on the Black tract. Exploration of the 5300-acre tract by Company and others was supplemented by independent evaluations made by Arthur D. Little, Inc. Reserves of about 30,000,000 tons, averaging 72.5 percent BPL, were proved by cores. The ratio of matrix to recoverable phosphate rock was 4.25 tons of matrix per ton of phosphate rock and the ratio of matrix to over-burden is one-to-one. As testing of the optioned acreage proceeded, this ratio prevailed and also, in subsequent examinations, the matrix over-burden was rather uniform at 17 feet, or the same as for the initial cores. As of July 1, 1965, Oxy's engineers had tested and evaluated a total of 21,855 acres and estimated a proven reserve of about 76,000,000 tons of which 36,000,000 tons average 71.7 per cent bone phosphate of lime and 40,000,000 tons average 72.7% BPL. Approximately 9,000 acres remain untested, for which no reserve values have been assigned but which are expected to increase the total reserves to at least 100,000,000 tons.

In mid-October, 1964, the Company broke ground for its Suwannee River Mine, and Dorr-Oliver Engineering, Ltd. commenced construction of a recovery and beneficiation plant, with dry storage facilities, at the mine site. The entire operation was completed and on production in the record time of nine (9) months. The plant design incorporates conventional proved equipment and processes. Estimated initial capacity has been raised to 1.7 million tons a year with provisions for expansion to 2.3 million tons.

Construction of rail connections at the plant and port facilities at Jacksonville are underway and will be completed later on this year by the time initial stockpiling of inventories has been accomplished. A wholly-owned subsidiary, Occidental Corporation of Florida, will operate the mine, mill and the chemical complex discussed below. Construction of the mine and beneficiation plant for the Suwannee River Mine was provided without the necessity of utilizing Oxy's funds. A financing program was successfully carried out consisting of the sale of an aggregate $10,110,000 4½ percent industrial bonds by a non-affiliated, non-profit corporation organized to promote economic development of Hamilton County.

Contracts have been awarded to Dorr-Oliver for the construction of a $25 million phosphate chemical complex adjacent to the mine location, to be completed by June, 1966. Production will consist of clarified phosphoric acid, diammonium phosphate, triple superphosphate, and derivatives. Products will be sold on a national scale, through the Company's expanding marketing outlets, and by Interore in world markets.

A portion of the conventional phosphoric acid (approximately 54 percent P_2O_5) will be used as feed stock for Company's superphosphoric acid plant in Lakeland, Florida. Company also plans to construct super phosphoric acid producing facilities in Hamilton County. Profits from the Suwannee River Chemical Complex are projected at the rate of $5 million per year in addition to the profits to be derived from the mine

PLAINTIFF'S EXHIBIT 130

and beneficiating plant. Construction financing has been arranged for and it is anticipated that permanent financing will also be in the form of industrial development bonds.

Occidental has obtained the worldwide rights to a patented process through a British company, Nordac, Limited, for the manufacture of highly concentrated superphosphoric acid (approximately 80 percent P_2O_5). Development of the process on a commercial scale was assigned to Occidental Research & Engineering Corporation which constructed a plant at Lakeland, Florida. The plant, which came on stream November, 1964, was originally expected to produce 50 tons per day of superphosphoric acid. It has far exceeded initial expectations by producing superphosphoric acid of approximately 80 percent P_2O_5 at a rate of about 150 tons per day. After the process was proved commercial, operation of the plant was transferred to Occidental Agricultural Chemicals Corporation.

Occidental intends to include enlarged facilities for the manufacture of phosphoric acid at the Suwannee River fertilizer complex in Hamilton County, Florida, some of which will be converted into superphosphoric acid which is relatively non-corrosive and can be readily transported and stored. Occidental's superphosphoric acid will move to consumers at a low freight rate per ton of contained P_2O_5. Users will not have to invest large sums of money in constructing expensive phosphoric acid plants, since this highly-concentrated acid can be combined with ammonia and potash to produce mixed fertilizers with relatively inexpensive conversion equipment.

Perhaps the most important aspect of Occidental's superphosphoric acid process will result from the development of revolutionary new types of high analysis fertilizers with increased plant nutritional properties, resulting in better fertilizer to the farmers at cheaper prices.

In addition to marketing these new fertilizers through its own organization, Occidental is negotiating with other fertilizer manufacturers to install equipment for the production of superphosphoric acid at their existing plant sites on a rental basis similar to the lease arrangements used by IBM and Xerox. By this means Occidental expects to create wide-spread, immediate income from its process while retaining all patent rights and ownership of the equipment.

Best Fertilizers Co. of Lathrop, California and Best Fertilizers Company of Houston, Texas are the largest independent manufacturers and distributors of fertilizers and agricultural chemicals in the Southwestern United States and California, producing ammonia, sulfuric acid, phosphates, mixed fertilizers and other products. These companies use large amounts of natural gas in making ammonia-based chemicals. The Lathrop, California plant is located only four miles from Occidental's McMullin Ranch gas field. On December 9, 1963, Occidental commenced delivering natural gas (the principal raw material for ammonia) from its McMullin Ranch Field to the Best plant at Lathrop. This reduces Best's costs, and accelerates Occidental's McMullin Field payout.

Best produces a complete line of chemical fertilizers and heavy chemicals at Lathrop as well as insecticides and soil conditioners. A new 500-ton-per-day phosphate rock grinding plant was completed last year in addition to phosphoric acid facilities. High grade phosphate rock is currently shipped from Florida. This will later be supplemented by superphosphoric acid. A 55 percent owned Best subsidiary, California Ammonia Co., is producing anhydrous ammonia at 300 tons per day capacity. At Plainview, in the Texas Panhandle, Best of Texas has constructed and placed in operation an entirely new fertilizer complex with a total plant capacity of 1,090 tons per day, including 150 tons per day of anhydrous ammonia. This plant raises the total production capacity of the Best Texas subsidiary to 1,490 tons per day, nearly three times what it was in 1963.

Best's Houston facilities are used to produce ammonium sulphate, pelleted ammonium phosphates and single superphosphates. Through its new cryogenic division, Best of California is now marketing liquid nitrogen for food and fresh fruit and vegetable preservation, which is expected to add substantially to future sales and profits. Best Fertilizers Co. (Lathrop, California) and Best Fertilizers Company of Texas (Houston and Plainview) reported sales of $22,359,000 in 1963 and $27,189,000 in 1964. Sales for 1965 are estimated at $35,000,000.

PLAINTIFF'S EXHIBIT 130

FOREIGN FERTILIZER PROJECTS Feasibility studies have been completed, and Occidental has entered into an agreement with the Saudi Arabian government for the construction, operation and sale of products from an ammonia and urea plant to be constructed in Saudi Arabia. Occidental will supervise the construction and operation of the 600 ton per day ammonia and urea plant. Total capital investment in the plant, appropriate offsites and pipelines, excluding working capital, is estimated at $30 million, all of which is to be provided by the Saudi Arabian government.

Occidental will receive 10 percent of the profits from the plant over a 20-year period and Interore will receive 5 percent of the sale price as its compensation for marketing the products. Construction is scheduled to start as soon as plant contracts have been negotiated.

Oxy has completed a new fertilizer mixing plant in Nicaragua and subject to feasibility studies, intends to build similar facilities in Singapore and Venezuela, and other areas of Latin America.

The Company's agreement with the Government of Morocco provides for production of a minimum of 5 million tons of phosphate rock per year which will be available for a 99-year period. Initial production capacity of the plant is expected to be about 1,000 tons per day, to be increased in stages to at least 5,000 tons per day. Construction of a superphosphoric acid plant in Morrocco, to be owned jointly by Occidental and the Moroccan Government, is planned to commence in 1966.

Occidental has just concluded a contract with the Government of Tunisia whereby it has received mining rights to a minimum of 200 million tons of high-grade phosphate rock. Subject to favorable feasibility studies, Occidental intends to build a mine and phosphate chemical complex in Tunisia similar to its present mine and chemicals complex under construction in northern Florida. The Tunisian Government will own a 45-percent interest in the project and Occidental will own 55 percent, each party providing its proportionate share of whatever equity is required. Acquisition of these mining rights will give Occidental phosphate reserves and production facilities in the three principal phosphate areas of the world: namely, Florida, Morocco and Tunisia.

Jefferson Lake Sulphur has two operating divisions. The Sulphur Division produces sulfur by the Frasch process at Long Point Dome, Fort Bend County, Texas. Company's interests in 90 oil wells and 30 gas wells in Louisiana and Texas have been transferred to Oxy. The Chemical Division has producing facilities on the Houston Ship Channel with a capacity to make over 25 million pounds per year of cresylic acids. Facilities were completed last year to increase the production of sodium sulphide, an inorganic chemical, for use by several of the processing industries in the Gulf Coast. Additional earnings for the Division are accruing from this new operation. Company's petrochemical plant at Houston, Texas, is increasing its production of organic chemical intermediates for use by the synthetic resins, plastics, petroleum and agricultural chemical industries and future prospects seem favorable.

Production of Frasch process sulfur is supplemented by sulfur from a sour gas recovery plant at Tilden, Texas. This owned by Trans-Jeff Chemical Corporation, a 50/50 joint venture between Jefferson Lake Sulphur and Transcontinental Gas Pipe Line Corp. Capacity of the recovery unit was recently increased from 25 tons per day to 100 tons per day. Company's two subsidiaries, Jefferson Lake Petrochemicals of Canada Ltd. and Petrogas Processing Ltd. (30.5% ownership) extract sulfur from sour gas at Taylor, British Columbia and E. Calgary and Coleman, Alberta. Jefferson Lake markets production from these plants. The over-supply situation in world sulfur has ended. Posted prices have moved up from around $22.50 per ton for bright sulfur, F.A.S. Gulf ports to $27 per ton. In 1964, Company's Alberta sulfur brought only about $10 a ton net F.O.B. Alberta plants. Jefferson Lake should realize about $4 more per ton this year based on the new Gulf port prices and rail freight to major markets. The increased prices should result in additional operating profits for Jefferson Lake and its subsidiaries.

Petrochemicals, through its 30.5% owned subsidiary, Petrogas Processing Limited, is proceeding with a two-stage ($15 million) expansion program to increase gas, gas liquids and sulfur production in the East Calgary Field. The first phase is completed and provides facilities to recover approximately 2,500 bbls. per day of natural gas liquids (propanes, butanes, etc.) plus a 20% increase in sulfur production over 1964. The second phase, programmed for 1966 completion, will double present sulfur production to 1,700 long tons per day, with corresponding increases in natural gas and condensates. New production facilities being installed at Long Point Dome will increase Jefferson Lake's domestic sulfur production by about 25%.

PLAINTIFF'S EXHIBIT 130

Early in 1965, Occidental announced the consolidation of Company's fertilizer operations throughout the world. The new operating division will consist of The Best Fertilizers Co. (California), The Best Fertilizers Company (Texas), Occidental Corporation of Florida, Interore, and Occidental Agricultural Chemicals Corporation. Headquarters for the group will be in New York. Jefferson Lake Sulphur Company will retain its independent status. The consolidation strengthens Oxy's efforts throughout the world, making it possible for the management to take advantage of Company's extensive resources and to become an increasingly important factor in the world fertilizer business.

OIL AND NATURAL GAS Occidental produces and markets crude oil, natural gas and natural gas liquids from wells and properties in California; in the Rocky Mountain states of Colorado, Montana, Nebraska, New Mexico and Wyoming; and in the Gulf Coast area of Texas and Louisiana. Through Jefferson Lake Petrochemicals, Occidental indirectly owns an interest in wells and properties in the provinces of Alberta and Saskatchewan, Canada. Occidental Petroleum has carried out an intensive exploration and development program for natural gas in the Sacramento Valley of Northern California. This program resulted in a major expansion of the Arbuckle gas field and the discovery of the West Grimes, West Buttes, Oakley-Dutch Slough, Butte Creek, Mulligan Hills and Lathrop gas fields, and the Brentwood oil and gas field. The Lathrop field is now considered the second largest natural gas field in the State of California and Oakley-Dutch Slough the third largest. The Company holds a total of approximately 77,000 acres of undeveloped oil and gas leases in California, 370,000 acres in the Rocky Mountain areas, and 12,000 in the Louisiana Gulf Coast area. Other properties include gas producing leases in Rio Arriba County, New Mexico; and oil leases in California in the following fields: Midway Sunset, North Midway, Fruitvale, Placentia, Dominguez and White Wolf; and oil and gas production in Oklahoma.

Occidental Petroleum in 1964 spent $2.7 million on exploration of 35 oil and gas projects. Of the total of 169 wells drilled, 108 were completed as producers (34 gas and 74 oil). One of Company's most important recent discoveries was a new oil pool in the City of Los Angeles near Beverly Hills, where Occidental owns a 61 per cent working interest in 500 acres. A 7,002 ft. test core hole found 500 ft. of net oil sands between the depth of 5,500 and 7,000 ft. Recent offset production of Signal Oil & Gas Company, (including production from deeper zones not penetrated in Oxy's corehole) and geological tests by other companies confirm the existence of reserves of major magnitude. Company estimates that development of this project could yield, net after all costs, some $50 million over the next ten years. All necessary drilling permits have been obtained from the City of Los Angeles and drilling will commence in approximately 30 to 60 days.

Oxy is now drilling a well in the Los Angeles basin on a farmout of approximately 900 acres which looks promising. In addition, Oxy has under lease in the Los Angeles basin, approximately 2000 well located acres, a portion of which offsets existing production. Oxy reports that at least three additional exploratory wells will be drilled this year to evaluate these properties.

In March, 1962, Occidental contracted to sell 50 million cu. ft. of gas daily from the Lathrop gas field to Pacific Gas & Electric at 26½ cents per Mcf. The contract was subject to renegotiation and commencing January 1, 1965, PG&E's annual minimum take was changed to 1/18th of remaining field reserves. Based on estimates of field reserves by De Golyer & MacNaughton, Occidental expected that the present minimum take or pay will be doubled, and this has now occurred. An interim agreement has been reached with PG&E to increase this minimum "take-or-pay" to 100 million cubic feet per day from the previous guarantee of 50 million cubic feet per day, retroactive to January 1, 1965. The reserves and minimum guarantee will be reviewed after a period of 18 to 24 months, depending upon when adequate additional pressure data is available. The present price for this gas of 26.5 cents per Mcf (1,000 cubic feet) will continue for the time being, but is subject to redetermination at periodic intervals. Pressure performance of the field has been excellent, indicating to Company's engineers and the consulting engineering firm, DeGolyer and MacNaughton, the accuracy of early estimates of recoverable gas in place amounting to approximately three-quarters of a trillion cubic feet.

Several significant discoveries were made in 1964. Completion of the "Beatty Yturria Cattle Company" #1 well resulted in a new field discovery 90 miles southwest of Corpus Christi, Texas. The discovery well is located on a lease block of 3,000 acres in which Occidental and its participants hold 40 per cent of the working interest. Another successful Occidental completion was "Edmay Hebert Langlinais" #1, in November, 1964, marking the discovery of the Mulvey Oil Field. The well, located 20 miles southwest of Lafayette, Louisiana, is situated on a land block of about 1,500 acres where Company owns an average

of 41 per cent of the working interest. A development program covering 17,300 acres on leases in Alfalfa, Garfield, Grant Kingfisher and Major Counties in the Anadarko Basin of Oklahoma was continued in 1964 with the result that a total of 33 wells have now been completed. At the Brentwood Oil and Gas Field in Contra Costa County, California, development drilling continued with the completion of three gas wells and six oil wells during 1964. Three wells were completed during 1964 in the Cat Canyon Oil Field located 15 miles southeast of Santa Maria. Company participated with others in the drilling and completion of three gas wells and one oil well during 1964 in the Maxie-Ellis Field, Louisiana. Properties in this area were acquired in the merger with Jefferson Lake Sulphur Company. In 1963 Occidental's joint test with Signal Oil & Gas Company was completed as a stepout in the fast growing Oakley-Dutch Slough field in California. Signal's discovery led to completion of seven gas wells of which three were Oxy offsets. During 1964 and the first quarter of 1965, Company and investor-participants drilled and completed ten producing wells (four of them dual-zone completions), bringing to 11 the total number of wells in the field. Occidental owns from 54.7 to 57.5 per cent of the working interest in eight of the wells and 28.75 per cent in three wells. A gas purchase contract has been signed with PG&E providing for an initial price of 32¢ per Mcf, with a minimum daily guaranteed "take-or-pay" of 36,000 Mcf commencing April 1, 1965.

THERMAL OIL PROJECTS Thermal recovery projects, by which heat is supplied to the oil underground to increase its mobility and thereby increase the production rate and recovery, are yielding good results in California heavy oil fields. Heat is supplied either by burning crude oil in place (fireflood) or by injection of steam (steamflood). In some areas a combination of thermal processes is being piloted. Thermal recovery methods are not adaptable to all oil fields and they have their limitations which is also true of any secondary recovery process. However, it seems rather certain that thermal recovery is going to become more and more important in the recovery of heavy oil at shallow depth that cannot be produced from previously known primary or secondary processes.

Occidental is one of the leaders in thermal recovery activity in California. Company's first five steam recovery projects have shown combined monthly oil production increases from 13,000 b/m in June 1964 to 71,000 b/m in February 1965 and to 98,105 b/m in April 1965. Several other fields on which operations commenced later are showing similar results. Oxy's petroleum engineers state that it takes at least 8 to 10 months to establish the maximum thermal oil producing rate, and in general a well's performance characteristics improve with each successive steam cycle.

S. V. HUNSAKER & SONS, INC. S. V. Hunsaker & Sons is one of the oldest home-building firms in California, having operated under the same family management for more than thirty years. Its business is that of a residential real estate construction company operating in Southern California which constructs and sells homes on lands which it has acquired and developed. At the time of acquisition by Oxy, it was the fifth largest publicly-owned home building firm in the country. Last year Hunsaker contributed about $3 million to pre-tax earnings of Occidental, or about two-thirds of Oxy's original investment. Oxy had a contingent liability at year-end 1964 on Hunsaker's obligations to lending institutions of about $29 million, all of which was fully collateralized by first trust deeds on homes sold by Hunsaker. This has since been reduced to $13.9 million and is expected to be eliminated, for all practical purposes, by year-end 1965. Hunsaker should continue to make a substantial contribution to earnings and continue to be a profitable investment.

EVALUATION OF RESERVES Company's engineers have provided a current estimate of North American recoverable reserves of oil, gas, condensates and sulfur, as tabulated below:

	Oil and Condensates Barrels	Natural Gas Bil. Cu. Ft.	Sulphur Long Tons
Total U. S.	52,028,000	425.1	3 mil.
Total Canada	5,022,000	176.0	5 mil.
	57,050,000	601.1	8 mil.

PLAINTIFF'S EXHIBIT 130

Taking oil and condensate at $2.50 per bbl. and gas at 26.5 to 30¢ per Mcf for the Sacramento Valley, and 13¢ per Mcf for nominal production in New Mexico, the gross value of U. S. reserves is estimated at $263,000,000 which after lifting costs and discount to present worth is $142,000,000. At $27 a ton, 3,000,000 tons of sulfur is worth $81,000,000. After allowance for lifting costs and royalties this would be reduced to $58 million. Discounting this to present worth equals $32 million.

Company's proved recoverable phosphate rock reserves in Florida of 76,000,000 tons, at $8 per ton as an average for varying grades of bone phosphate of lime would be worth $608 million. Full development, mining, washing, beneficiation, etc., would cost an estimated $304 million over a 20-year period. Discounting the remaining $304 million to present worth over a 20-year period, a final figure of $159 million is obtained for these reserves. Oxy's 66.3 per cent equity in Canadian oil is valued at about $14 million and natural gas at $26.4 million. Five million long tons of sulfur have a gross value F.O.B. mine at $70 million, or a grand total of $110.4 million. After lifting costs and gas processing expense, the balance is estimated at $80 million and discounting this to present worth indicates a final value of $50.1 million.

NET APPRAISED VALUE OF OCCIDENTAL COMMON STOCK

Canadian Oil-Gas-Sulfur	$ 50,100,000
U. S. Oil, Natural Gas	142,000,000
U. S. Sulfur	32,000,000
*Net Depreciated Plant & Property	58,029,000
Other Assets	5,290,000
Phosphate Reserves—(excluding foreign)	159,000,000
Net Working Capital	24,890,000
	$471,309,000
Less:	
Long Term Debt	43,288,000
Minority Interest	6,656,000
Net Appraised Value	$421,365,000

= to $54.12 per common share based on 7,786,435 shares.

*Net after deducting book values of mineral reserves evaluated separately in above table.

NOTES:

Company engineers estimate that, in addition, more than 100 million bbls. of recoverable oil underlie certain Company properties which will ultimately be recovered through thermal projects in process, evaluation of which would add substantially to the per-share figure stated above.

Best companies are included above at net book values. Sales of similar companies have been noted recently at 15-20x earnings. Evaluating Best on a multiple of earnings basis would raise book figures several times, with a corresponding increase in total per-share values.

MANAGEMENT Occidental Petroleum is an aggressive, well managed concern. Dr. Armand Hammer, President, is highly regarded and has proven himself a most capable financial administrator. E. C. Reid, a practical oil man with many years of successful experience in drilling and completing oil wells, is Senior Executive Vice President of the Company. Other chief officers are Eugene H. Walet, Jr., Group Executive Vice President for Sulphur and Chemicals; H. S. Ten Eyck, Group Executive Vice President for Fertilizers; Dr. Ernest Csendes, Executive Vice President for Research, Development and Engineering. Occidental's head office executive staff includes Robert S. Rose, Vice President and General Counsel; William N. Patrick, Patent Counsel; Dorman L. Commons, Financial Vice President; Paul C. Hebner, Secretary and Treasurer; Charles J. Lee, Controller; Thomas Wachtell, Executive Assistant to the President. Occidental's executive staff for oil and gas includes E. F. Reid, Vice President and Exploration Manager; Richard H. Vaughan, Vice President and Chief Geologist; Charles C. Horace, Vice President and Chief Petroleum Engineer; and R. A. Teitsworth, Vice President—Geology.

Other executive and operational division heads include Dr. William L. Garman, President, The Best Fertilizers Co.; Merlin K. Miller, President, Green Belt Chemical Co.; Richard C. Hunsaker, President, S. V. Hunsaker & Sons, Inc.; Harold W. Manley, President, Jefferson Lake Petrochemicals of Canada, Ltd.; John M. Harris, President, Occidental Corporation of Florida; and Charles B. McCabe, Administrative Representative—New York.

1911a-1912a

PLAINTIFF'S EXHIBIT 130

OCCIDENTAL OF LIBYA, INC.

Incumbency Certificate

I, Paul C. Hebner, Secretary of Occidental of Libya, Inc., a Delaware corporation, hereby certify that at the present time, and at all times since November 26, 1963, JAMES D. LAWLER has been a duly elected, qualified and acting Assistant Vice President of this Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Company this 3rd day of December, 1963.

(Corporate Seal)

Paul C. Hebner

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On December 3rd, 1963, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Paul C. Hebner, known to me, to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Notary Public in and for said County and State

My Commission Expires Oct. 24, 1965

Robert S. Rose, Vice President of Occidental of Libya, Inc., (the "Company"), a Delaware corporation, hereby certifies that Paul C. Hebner is the duly elected and incumbent Secretary of the Company, and that he has held such office continuously since January 17, 1961, and that the above certificate is signed with his signature.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Company this 3rd day of December, 1963.

Robert S. Rose

(Corporate Seal)

1913a

PLAINTIFF'S EXHIBIT 131.

FERDINAND GALIC

4I, rue Spontini

PARIS I6°

August, 2 I965

Dr. Armand HAMMER, President
OCCIDENTAL PETROLEUM CORPORATION
I0889 Wilshire Boulevard Suite I460
LOS ANGELES
(California 90024)

Dear Sir,

By the present I confirm receipt of your cable adressed me on July I6, I965 which reads as follows :

" IN ACCORDANCE WITH TERMS OF OUR SEPTEMBER I8 I964 AGREEMENT
" WE WISH TO ADVISE YOU THAT WE WILL NOT UTILIZE YOUR INTER-
" VENTION OR SERVICES IN ACQUIRING OIL AND GAS CONCESSIONS IN
" LIBYA AND HENCE CONSIDER OURSELVES FREE OF ANY OBLIGATIONS
" WHATSOEVER TOWARD YOU STOP WE HEREBY RELEASE YOU FROM ANY
" OBLIGATION TO ABSTAIN FROM NEGOCIATING WITH ANY OTHER PARTY
" STOP SIMILAR NOTICE HAS BEEN SENT TO YOUR ASSOCIATE GENERAL
" DEROVIN".

I confirm as well my cable to you in answer dated July 27, I965 and reading as follows :

" ON MY RETURN FROM LIBYA FOUND YOUR CABLE OF JULY I6 I965 STOP
" I PROTEST ENERGETICALLY AGAINST YOUR RUPTURE OF CONTRACT WITH
" ME AS CAUSING ME MORAL AND FINANCIAL PREJUDICE STOP INADMIS-
" SABLE YOU BREAK YOUR CONTRACT WITH ME LET ALONE AT SO LATE A
" DATE STOP HAVING TAKEN NOTE OF YOUR INTERDICTION TO ME TO
" INTERVENE FOR YOU I NOW CONSIDER YOU WHOLLY RESPONSIBLE FOR
" RUPTURE OF CONTRACT AND WHAT MAY RESULT THEREOP STOPI RESERVE
" ALL RIGHTS TO ASK FROM OCCIDENTAL PETROLEUM THE SUMS PROVIDED
" IN OUR CONTRACT PLUS DAMAGES AND INTERESTS AND REIMBURSEMENT
" OF EXPENSES STOP I PROTEST YOUR REFERRING TO MR DEROVIN AS MY
" PARTNER STOP YOU YOURSELF WELL KNOW HE IS NOT STOP LETTER
" FOLLOWS".

PLF. DEFT. WIT. EX # 79 MARK FOR ID DATE 6-13-69

/.../

1914a

PLAINTIFF'S EXHIBIT 131

May I again state that I find your rupture of our agreement entirely inadmissable.

At your request and for your interests, in absolute accord with our contract, I have not only since signature of our agreement last September I964 made innumerable trips to LIBYA, but I have, as well, for you and your Company towards obtaining of oil and gas concessions in LIBYA, contracted obligations, moral and financial, the not keeping of which will cause me great prejudice now and in the future.

Thirteen days before D day, that is, 29 th of July, you break your contract with me whithout even the courtesy of an explanation and allow me to act for some one else !

May I by the following assure you, Dr. Armand HAMMER, and OCCIDENTAL PETROLEUM, that if within the next thirty days as of today I obtain no satisfaction from you, that in the United States, on the Continent, and in Africa, you shall be legally pursued by me, for damages, interests, expenses and moral prejudice caused me by the rupture of our contract signed in LONDON September I8th I964.

Concerning General de ROVIN, you know as well I, that he is no associate of mine and that there existes a contract only between you and him.

Believe me,

Very sincerely yours,

Ferdinand GALIC

PLAINTIFF'S EXHIBIT 133.

Libya's Happy Headache: Assessing the Many Bids

A pleasant headache. That's the description Libyan officials give to the task of choosing among the "surprising number and variety" of bids for new concessions. All told, some 30 combinations of companies representing 46 individual firms from seven different countries submitted bids (see PIW,Aug.2,p.1) on 58 different blocks and sub-blocks (for full details of who bid what, see table below). This was in sharp contrast to the bidding ten years ago when only 13 companies applied for concessions.

About 100 top executives of interested oil companies flew to Libya's temporary capitol at Beida for the formal opening of bids on July 31. Six crates of bids took more than seven hours non-stop to open, read in summarized form and pass around for initialling by witnesses.

Oil Minister Fuad Kabasi, who presided, commented "I didn't expect so many applications, and so much competition . . . but we still hope to finish our work within the allotted three-month time period."

Libya's problem results from the fact that some companies complied with certain of the 17 "preferential factors" laid down by the Government, and ignored others, while other firms chose differing ways of meeting the terms (for a full listing of the 17 factors Libya will use to determine preference among applicants, see PIW June 14, p.7). For example, the Phillips, Libyan-Atlantic group offered identical conditions on all five bids, but responded to only nine of the 17 government factors, Kabasi told PETROLEUM INTELLIGENCE WEEKLY.

On the other hand, the Libyan-Atlantic, Sun Oil group responded to 13 of the 17 preferential elements on the eagerly sought Block 42B but only nine of the 17 on other less prized blocks. Mobil, which replied to all 17 terms, and Esso, which responded to 14, emphasized that their response "did not necessarily mean full compliance with the government terms."

An analysis of the bids by block shows Zone II acreage—where most of Libya's biggest oil fields have been found—an overwhelming favorite. Of the 204 block-bids, 139 lie within the Zone II area. Some 42 block-bids were made on acreage in Zone I, while Zones III and IV drew only 5 and 18 block-bids respectively.

Within Zone II, there was a heavy concentration on a relatively few blocks just north of Oasis' Gialo field, south of Mobil-Gelsenberg's Amal field and east of Esso's prolific Zelten field. Blocks 47 and 42B, for example, received 21 and 20 bids respectively.

In sharp contrast, great stretches of Tripolitania and Fezzan in Zones III and IV drew nary one contender.

Companies Bidding	*Number of Bids*	*Blocks Bid Upon*
Phillips Pet., Atlantic Ref.	5	25; 27; 30; 31; marine concession
Atlantic Ref., Sun Oil, Sunray D-X, Clark Oil	4	34A; 42B; 52; 53
Mobil, Gelsenberg Benzin	6	6A-6B; 37; 42A-42B; 43; 46; 47
Scholven Chemie	5	39, 40; 41; 47; 51
Elwerath, Wintershall	4	(42A-42B, 47, 67A) (42A-42B, 47, 55) (42A-42B, 47, 56) (42A-42B, 47, 43)
Phillips Petroleum	2	(43, 44) (55, 56, 57, 58)
Gulf Oil	1	42B or 47
CFP, Deutsche Erdoel	2	42A-42B; 47
Aquitaine, Hispanoil, Murphy Oil, Auxirap	6	27; 33; 40; 43; 47; 48
Auxirap	1	58
Pan American	7	42B; 43; 44; 47; 49A; 57; 58
Libyan Desert (Tex-Fel)	7	23C; 24; 37; 39; 42A; 49A; 49B
Union Rheinische	1	(23, 42, 60) or (22, 47, 56) or (24, 43, 55)
California Standard, Texaco	17	1, 2A-2B; 10; 28; 31; 34A-34B; 34A; 42A-42B; 42B; 43; 46; 47; 49A-49B-49C; 49A; 53; 57; 58
Ausonia, APIR, Union Oil	2	42B, 43
Esso	4	41; 42B; 43; 47
Amerada, Conoco, Marathon	8	26A; 31; 42A; 42B; 47; 74; 76; 77
Shell	2	31; 47
Libya Texas Pet. Ref.	2	(32B, 33B, 34B, 42A) (4A, 6B, 23C, 26A)
Sinclair, Cities Service, Richfield, Union Oil	5	(33C, 40) (40, 42A) 42B; 43; 47
Superior, Pennzoil, Tenneco	6	22; 25; 26A; 42B; 43; 47
National Oil Co. of Libya	3	42B; 43; 47
American Mining & Explor.	2	28; 44
ENI	12	24; 25; 26A-26B; 42A-42B; 43; 44; 46; 47; 49A-49B-49C; 57; 58; 60
Occidental Petroleum	1	(42B, 43) or (43, 44, 47))
Vertex Oil AG	1	(20, 23A-23B-23C, 24, 40, 44, 49A)
Circle Oil Co.	1	(30, 33, 34A-34B, 41, 45, 46)
Lion Petroleum Co., S.A.	1	(22, 25, 27, 42A-42B, 43, 47)
Mercury S.A.	1	(26A-26B, 28, 44, 48)
Bosco	1	(23A, 24, 45, 46, 70, 71)

PLF. DEFT. EX # 10
DATE 8 Feb 1967
Bar Ass'n Reporting

1916a

PLAINTIFF'S EXHIBIT 134.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA 93309
AREA CODE 805
PHONE (82X) 7351

August 10, 1965

Mr. James E. Lawler
Via Compania, 31
Rome, Italy

Dear Jim:

Dick and I enjoyed seeing you and your charming wife in Tripoli the week before last. Next time, perhaps there will be more time for socializing.

It looks as if Occidental's choices of Libyan blocks have been very popular with our competition, too. This fact has reaffirmed our confidence in having picked the best parcels. And we want to thank you for having made these choices possible.

It is unfortunate that Occidental and Lawler sometimes have their difficulties in getting together harmoniously, but that seems to be getting straightened out now.

As a follow-up to the discussion between you and Dick in Tripoli, would you please send us copies of your Sirte lithofacies map and corrected gravity residual maps. Please bill me for reproduction and air-mailing expenses.

From the large quantity of applications received by the Libyans, I imagine it will be a couple of months before the Libyans will be ready for additional bargaining prior to the granting of concessions. Perhaps Dick and/or I may see you at that time, if it becomes necessary for us to again return to the shores of Tripoli.

Sincerely,

OCCIDENTAL PETROLEUM CORPORATION

C. James Blom

CJB/jh

1917a

PLAINTIFF'S EXHIBIT 141.

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

October 13, 1965.

Mr. Herbert ALLEN

30, Broad Street

NEW YORK, N.Y.

Dear Herbert,

Your secretary asked me the last time the driver's and the garage address; enclosed you will find the card of both. The dirver's address is :

Mr. J. FOUCRIAT
17, Rue Gustave Courbet
PARIS 16°.

It is much better to have always the same driver, specially for a Rolls Royce. Anyhow, the car is well looked after and I think it best you get directly in touch with him when you want somebody to be called for at the airport or in an hotel.

The car has a special box in this garage which was not so in the FRANCO-BRITANNIQUE. The driver is now with Terry and he phoned me yesterday to ask for some money.

I proposed in my last letter that you send me a 1.000 Dollar check, at his name, and prior to handing it to him, I will check the count. The last one was alright, he is an honest man and takes care of the car.

Yesterday the lawyers got in touch with me on account of Occidental Petroleum, they suggested that I do nothing and wait until OCCIDENTAL PETROLEUM gets the concessions.

I blocked the way, but if you consider it more interesting that they obtain the concessions, I will go to Libya and manage that way.

PLAINTIFF'S EXHIBIT 141

I will by no means be associated with Dr. HAMMER and OCCIDENTAL PETROLEUM, all I want is the reimbursement of the damage. The lawyer says that for the time being, I can only claim the reimbursement of the expenses, but when they will have the concessions, I can claim for the damage, whether they find oil or not.

The man I got him in touch with, Mr. OGBI, is Minister of Social Affaires now, but I have much more powerful relations and I can interfere favorably and unfavorably.

Please, let me have your and Charlie's opinion on this.

I planned to come to the States towards the end of the month, but I will not be able to do so, I will have to postpone until early December.

My kindest Regards, also to Charlie

Fredy

PLAINTIFF'S EXHIBIT 144.

FOR OIL EXECUTIVES AROUND THE WORLD

October 25, 1965

PETROLEUM INTELLIGENCE WEEKLY

SPECIAL SUPPLEMENT

DATE 8-11-68
Nat Ass'n Reporting Service

Draft of Royal Decree Amending Libya's Oil Law

Following is the full text of the new draft amendments to the Libyan Petroleum Law of 1955, just presented to the Council of Ministers by the "Petroleum Prices Negotiating Committee" (see story this issue, p.1,2):

We, IDRIS THE FIRST, King of the Kingdom of Libya, having seen Article 64 of the Constitution, and the Petroleum Law No. 25 of 1955, as amended, acting in the interest and welfare of the Libyan Nation, acting upon what has been submitted by the Minister of Petroleum Affairs, and with the approval of the Council of Ministers, Decree as follows.

ARTICLE I

The following phrase shall be added after the word "royalties" appearing in subparagraphs (a) and (b) of paragraph (1) and in paragraph (9) of Article 14 of the Petroleum Law No. 25 of 1955, as amended, and of Clause 8 of Schedule II thereto:

except 12½% of the value of crude oil exported, as herein defined,

ARTICLE II

The following subparagraphs (c) and (d) shall be added to paragraph (1) of Article 14 of the Petroleum Law No. 25 of 1955, as amended:

(c) For purposes of paragraphs (1), (2) and (9) of this Article, "12½% of the value of crude oil exported" shall mean: 12½% of the value calculated on the basis of the applicable posted prices of crude oil exported by the concession holder in any such complete year and on which royalty is payable by the concession holder in that year.

(d) For purposes of this law crude oil sold by the concession holder for export from Libya (which term "for export" as used herein includes export before or after sale) shall be deemed to be crude oil exported by the concession holder. With respect to crude oil taken in kind by the Libyan Government under this Law, being in payment by the concession holder in whole or in part of the royalty stipulated in this Law, such crude oil shall be deemed to be crude oil exported by the concession holder if such crude oil is delivered to the Libyan Government by the concession holder for export.

ARTICLE III

The phrase, "and item (c)" shall be inserted after the word "Libya" at the end of the definition of "profits" appearing in paragraph (2) of Article 14 of the Petroleum Law No. 25 of 1955, as amended, and of Clause 8 of Schedule II thereto, and a subparagraph (c) shall be added to such paragraph of such Article and such Clause, which shall read as follows:

(c) 12½% of the value of crude oil exported, as defined in paragraph (1) (c) above.

ARTICLE IV

Subparagraph (a) of paragraph (5) of Article 14 of the Petroleum Law No. 25 of 1955, as amended, is amended to read as follows:

(a) in relation to crude oil exported by the concession holder from Libya: total gross receipts realized by the concession holder from such export and . . .

ARTICLE V

The following paragraph entitled "Total Income to Government" shall be added to Article 15 of the Petroleum Law No. 25 of 1955, as amended, which shall read as follows:

The total income to the Ministry of Petroleum Affairs and other Libyan Government, Municipal and other authorities whether central or local in respect of the production, manufacture, dealings in oil or rights thereto, transport, sale, export, shipments and profits and distribution therefrom of crude oil produced in Libya by the concession holder and/or sold by the concession holder for export from Libya shall be equal in respect of any complete year to the amount which the Libyan Government would have been entitled to receive in respect of such year calculated in accordance with the concession holder's concession agreements. It is understood that in the event any difference or dispute arises concerning this paragraph, such difference or dispute shall be referred to arbitration in accordance with the concession holder's concession agreements.

ARTICLE VI

The following subparagraphs (c) and (d) shall be added to paragraph (1) of Clause 8 of Schedule II to the Petroleum Law No. 25 of 1955, as amended, which shall read as follows:

(c) For purposes of paragraphs (1), (2) and (9) of this Clause, "12½% of the value of crude oil exported" shall mean: 12½% of the value calculated on the basis of the applicable posted prices of crude oil exported by the Company in

PLAINTIFF'S EXHIBIT 146.

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL
CHAIRMAN OF THE BOARD

[redacted] 19

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

DUPLICATE OF TELEPHONED TELEGRAM

1962 OCT 30 AM 8 32

NH615 (10)(08)AC504

A JNA524 NL PD JACKSONVILLE FLO 29

CHARLES ALLEN, ALLEN AND CO

30 BROAD ST NYK

DELIVER BY MESSENGER

DELAYED ON MY TRIP LONGER THAN ANTICIPATED. WOULD LIKE TO SEE YOU WEDNESDAY OR THURSDAY WHICHEVER IS MOST CONVENIENT FOR YOU. PLEASE NOTIFY MY OFFICE JUDSON 65200 DAY AND TIME REGARDS

ARMAND HAMMER.

9:30 Thursday Nov 4

$	NO: LE-5 4171	TO CA
S	6 2 11381	TIME TO DLV
E		

SF1201(R2-65)

Defts Ex 318
12/15/82

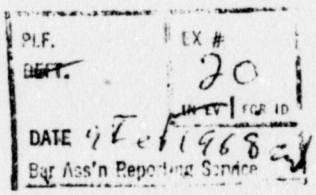
PLAINTIFF'S EXHIBIT 147.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1500
LOS ANGELES, CALIFORNIA 90024
PHONES: 879-1700 · 477-8521

OFFICE OF THE PRESIDENT

November 3, 1965

Mr. Charles Allen
Allen & Company
30 Broad Street
New York, New York 10004



Dear Charlie:

Further to our recent telephone conversation, I now enclose a detailed summary of our latest study on the Moroccan Phosphate Project. We have previously submitted voluminous studies to the Moroccan Government but we have had to update them because of market conditions, as well as the changed terms of our proposed deal requested by the Moroccan Government, namely the elimination of a royalty charge for "know how", patents, etc., and the separation of the Safi Complex from the project.

It is our opinion that we should start with Case I (enclosed) producing 50% P_2O_5 as superphosphoric acid and 50% as diammonium phosphate. We should first establish the market for superphosphoric acid, and later on as marketing progresses we can build another plant or enlarge the present one and produce more superphosphoric acid. The one element that has not been decided upon is the price of the rock which the Moroccan Government will charge us. We have advised them that this price must be no higher than $6.00 per ton for 68% BPL (bone phosphate of lime) which grade of rock the Moroccan Government is not exporting at the present time. In our opinion, they will not export this low grade in the foreseeable future since they have almost unlimited reserves of higher grades (70% to 80% BPL).

We have sent a team of geologists and engineers to study their mines and we have found that they possess sufficient reserves of 66-68% BPL rock at either Kouribgha or Ben Guerrir, both of which are relatively close to the Safi area.

Mr. Charles Allen

1922a

PLAINTIFF'S EXHIBIT 147

I enclose copy of my letter to Bengelloun of August 11, 1965 which I wrote after conference with him in Paris. I also enclose a copy of a letter received from him today.

If we cannot get Moroccan rock at $6.00, we prefer to go ahead with our project in Tunisia where we have a concession from the Tunisian Government on much more favorable terms than our Moroccan deal. Under our Tunisian contract we have the right to mine our own phosphate rock (the Government agrees to place 200 million tons at our disposal, which is all we would need for the foreseeable future, at a royalty cost of $.40 per ton). We estimate that we can produce this rock and deliver it to our proposed plant at less than $6.00. Under the Tunisian contract we get 55% of the total profit including the mining profit and the Tunisian Government gets 45%, for which they put up 45% of the investment. In view of this there is no room for bargaining further on the part of the Moroccan Government.

As I told you over the telephone we are prepared to let you participate to the extent of 25% of our interest with you putting up 25% of the equity and we putting up 75% of the equity. Since our option with the Moroccan Government expires December 31, 1965 it is necessary for us to have a prompt decision from the Moroccan Government on the price of the rock as well as a formalization of the financing which will have to be undertaken together with the proper authorities in Washington.

Best regards.

Sincerely yours,

Armand

Armand Hammer, President

AH/kc
Enclosures

1923a

PLAINTIFF'S EXHIBIT 148.

ALLEN & COMPANY

Established 1922

30 BROAD STREET, NEW YORK, N.Y. 10004 • HANOVER 2-2600

PLF. EX # 21
DEFT. IN EV FOR ID.
DATE 9 Feb 1965
Bar Ass'n Reporting Service

November 8, 1965

Dr. Armand Hammer, President
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California

Dear Dr. Hammer:

The following is in reference to your letter of November 3, 1965.

At a meeting at this office where we dis[illegible]ssed this letter and pertinent other information, we understood that [illegible]e total equity will approximate $8 million, of which our collective pa[illegible]ipation will be $4 million and the Allen share will be approximately [illegible] million or 25%. We further understand that the other necessary required funds will be borrowed, primarily from U.S. Government agencies.

On the basis of the foregoing, and subject to the final feasability study, we are pleased to join with you on this project and are prepared to assist in any way we can to facilitate the accomplishment of this objective.

With kind regards.

Very truly yours,

Charles Allen

1924a

PLAINTIFF'S EXHIBIT 155.

December 27, 1965

Ministry of Petroleum Affairs
Kingdom of Libya
Tripoli, Libya

Attention: His Excellency Fuad Kabazi
Minister of Petroleum Affairs

Re: New Concession Applications

Gentlemen:

This letter is to officially notify the Ministry of Petroleum Affairs that Occidental of Libya, Inc. will, subject to all Libyan Petroleum Laws and Amendments thereto, leave in force and effect its bids for new oil and gas concessions as were submitted on July 29, 1965.

Very truly yours,

OCCIDENTAL OF LIBYA, INC.

Armand Hammer, President

PLAINTIFF'S EXHIBIT 156.

Offered
Admitted
2-7-69

December 30, 1965

Ministry of Petroleum Affairs
Kingdom of Libya
Tripoli, Libya

Attention: His Excellency Fuad Kabazi
Minister of Petroleum Affairs

Re: New Concession Applications

Gentlemen:

Further to our letter of December 27, 1965, Occidental Petroleum and its subsidiary, Occidental of Libya, Inc., wish to make the following changes in our original concession bid dated July 31, 1965, all of which changes are in favor of the Libyan Government:

1. Under Preference 3/Item 8.C. of Occidental's bid application, we wish to substitute the following paragraph:

   Each concession contract shall be regarded as an integral unit completely independent from other contracts accorded to us for the purpose of calculating the income and expenditures derived by us as well as the formula for obligations provided for in Article 11 of the Petroleum Law.

2. Under Preference 8, Occidental agrees that it shall deposit all amounts necessary for local expenditures with one of the banks operating in Libya.

PLAINTIFF'S EXHIBIT 156

3. Under Preference 11, Occidental agrees that it will undertake to follow the most modern technical methods and adopt all safety measures for the preservation of natural gas and for determining the rate of production completion practices and well spacing in accordance with good oil field practice.

4. Under Preference 17, Occidental's Item 8.A. in its original bid, we propose that in lieu of gas being provided free by the Libyan Government, that a price will be paid which is consistent with that paid for gas used for similar industrial purposes in Libya.

Very truly yours,

OCCIDENTAL OF LIBYA, INC.

Armand Hammer, President

PLAINTIFF'S EXHIBIT 158.

KINGDOM OF LIBYA
Ministry of Petroleum Affairs

المملكة الليبية
وزارة شئون البترول

Special File

Tripoli, 16/2/66

Mr. Ferdinand Galic
41, Rue Spontini
Paris 16
France

Dear Sir,

you will be pleased to know that shortly Occidental Petroleum will receive a favourable reply in its bid for petroleum concessions in Libya.

As I have repeatedly stated to you, in the interest of my country, our policy in the granting of petroleum concessions is based on capacity of the companies to absorb fully their output. As you well know, the interest of my country is above every thing in my heart. I wish, therefore, to remind you, that you have assured me on two very important points:

1. that Occidental Petroleum is in a position to absorb any amount of oil found;
2. that Messrs Allen& Co. of 30, Broad Street, New York, N.Y., USA, assures the necessary financing involved.

With sincerest regards,

truly Yours,

(Fuad Kabazi)
Minister of Petroleum Affairs

PLF EXH. G-30 FOR ID.
7/8/76 DAVID J. FELDMAN, C.S.R.

1928a

PLAINTIFF'S EXHIBIT 163.

FRENCH CABLE COMPANY
25 BROAD STREET, NEW YORK, TEL. HA. 2-7934

VIA FRENCH

D18?-15

NNNN

DH

ZCZC T1174

PARIS 28 15 1928

CHARLES ALLEN 30 BROADSTREET NEW~~YORK~~

REGRET OBLIGED SUE YOU ALSO FOR DAMAGES AS OCCIDENTAL PETROLEUM WHICH YOU CONTACTED FOR ME HAS RENIGGED ON ITS CONTRACT LETTER FOLLOWS

GALIC

COL 30

FRENCH CABLE COMPANY
25 BROAD STREET, NEW YORK, TEL. HA. 2-7934

1929a

PLAINTIFF'S EXHIBIT 164.

COPY

ROYALL, KOEGEL & ROGERS
200 PARK AVENUE, NEW YORK 17, N. Y.

March 15, 1966.

Registered Mail
Return Receipt Requested

Occidental Petroleum Corporation,
1301 Avenue of the Americas,
New York, New York 10019

Attention: Dr. Armold Hammer, President.

Dear Sirs:-

We have been retained by Ferdinand Calio, 41 Rue Spontini, Paris 16, France. We are writing to you with respect to the breach by you of your agreements with Mr. Calio dated September 18, 1964, and November 25, 1964.

As you know, in reliance upon these agreements and other assurances made by you, Mr. Calio negotiated on your behalf for the acquisition of certain oil and gas concessions in Libya and, in connection therewith, incurred expenses and made other commitments which he feels bound to fulfill.

Your attempted termination of the agreements shortly prior to successful performance by Mr. Calio was in breach thereof. We hereby demand that you reaffirm these agreements, reimburse Mr. Calio for expenditures made by him on your behalf and assure him that he will receive his full participation in any concessions which you secure as a result of his efforts on your behalf.

May we hear from you by return mail so as to avoid the necessity of any further proceedings?

Very truly yours,

ROYALL, KOEGEL & ROGERS

By _____
Partner

cc. Occidental Petroleum Corporation
10889 Wilshire Boulevard, Suite 1460
Los Angeles, California 90024

PLF EXH. 5-22 FOR ID.
DAVID J. FELDMAN, C.S.R.

1930a

PLAINTIFF'S EXHIBIT 179.

July 5, 1966

Dr. Armand Hammer
Occidental Petroleum
10389 Wilshire Blvd.
Los Angeles 24, California

Dear Armand:

Enclosed is a copy of the cable from Ferdo Galic, which I transmitted to you over the phone.

Warmest regards,

Sincerely,

Charles Allen, Jr.

Enclosure

PLAINTIFF'S EXHIBIT 179

[redacted] STREET

ZCZC LWL340 06A1973

TRIPOLILIBYA 38 29 1065 VC[redacted]

DUPE OF TELEPHONED TELEGRAM

[redacted]

CHARLES ALLEN [redacted] NEWYORKCITY

50 BROAD ST NYK [redacted] 1604

ACCORDING YOUR ADVICE HAVE DONE UTMOST FOR HAMMER STOP FEEL WILL BE MOST PROFITABLE FOR HIM TO FOLLOW MY SUGGESTIONS STOP BAHAMA DEAL TO BE DISCUSSED GENEVA JULY FOURTH SHALL PHONE

FERDO

COL 50

1/11/67

WESTERN UNION CABLES

N CABLES

1932a

PLAINTIFF'S EXHIBIT 180.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1500
LOS ANGELES, CALIFORNIA 90024
PHONES: 879-1700 · 477-8521

July 8, 1966

OFFICE OF THE PRESIDENT

Mr. Charles Allen, Jr.
Allen & Company
30 Broad Street
New York, New York 10004

Dear Charlie:

Thank you for your letter of July 5th, enclosing copy of your cable from Galic.

I am enclosing a copy of my cable of yesterday to him.

With best regards,

Sincerely yours,

Armand Hammer, President

AH:dp
Encl.

DEFT'S EX 32 JH
12/5/67

PLAINTIFF'S EXHIBIT 180

Telefax **WESTERN UNION** Telefax

SENDING BLANK

CALL LETTERS QLL INTL VIA ITT

CHARGE TO OCCIDENTAL PETE CORP
TWDL FAX LOSA
JULY 7, 1966

LT FERDINAND GALIC
41 SPONTINI
PARIS, FRANCE

HAVE NO PLANS FOR GOING TO EUROPE HOWEVER WILL BE GLAD TO SEE YOU IN LOS ANGELES OR NEW YORK

HAMMER

Send the above message, subject to the terms on back hereof, which are hereby agreed to

PLEASE TYPE OR WRITE PLAINLY WITHIN BORDER—DO NOT FOLD

1269—(R 4-65)

1934a

PLAINTIFF'S EXHIBIT 183.

FERDINAND GALIC
41 rue Spontini
Paris 16, France

August 26th, 1966

Dr. Armand Hammer, President
Occidental Petroleum Corporation
1301 Avenue of the Americas
New York, New York

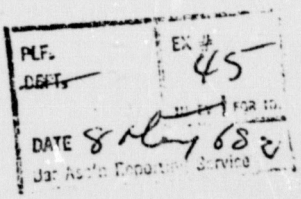
Dear Dr. Hammer:

This will acknowledge receipt of your check in the amount of $16,000.00 (Sixteen thousand dollars) drawn on Chemical Bank New York Trust Company, as further consideration for the Release which I have signed today in favor of Occidental Petroleum Corporation, and to reimburse me for all expenses I have had to date in connection with the Contract dated September 18th, 1964.

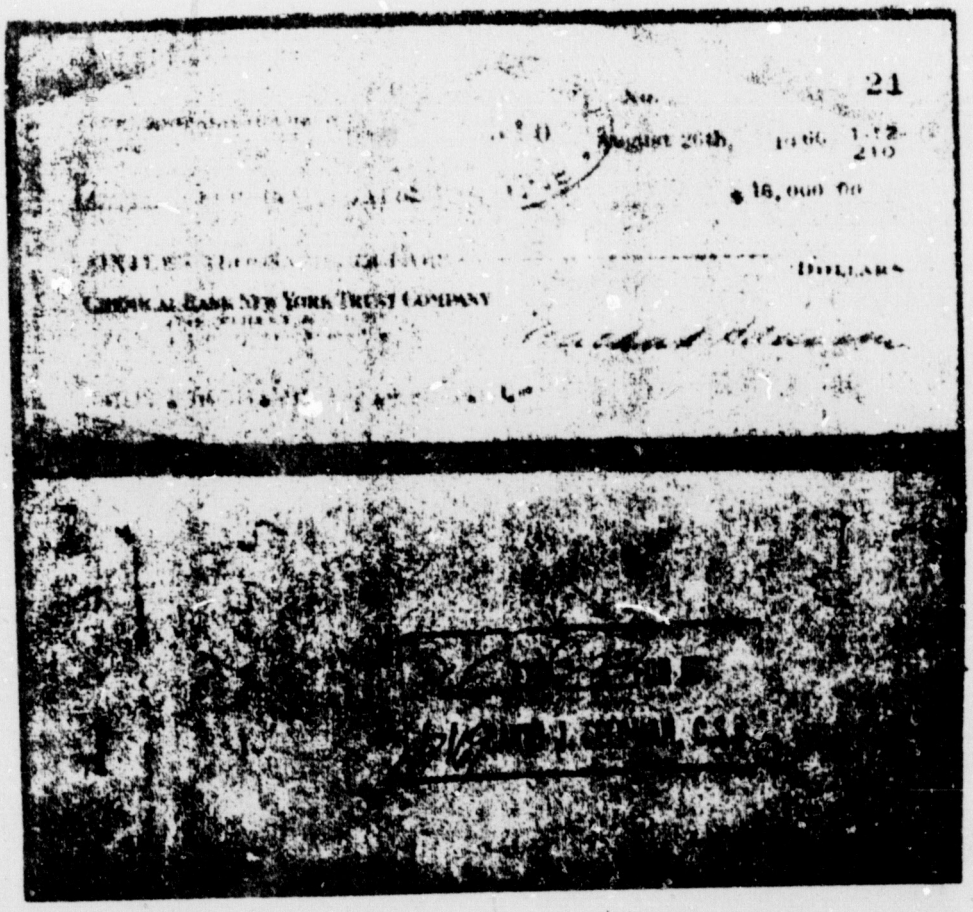
Very truly yours,

FERDINAND GALIC

sp



PLAINTIFF'S EXHIBIT 184.



No. 21

DR. ARMAND HAMMER

1-12
210

August 26th, 1966

Pay to the order of Ferdinand Galic.....$16,000.00

Sixteen Thousand Dollars----------Dollars

CHEMICAL BANK NEW YORK TRUST COMPANY
27th Street at 5th Avenue
New York

ARMAND HAMMER

(Endorsement on reverse side):

Pay To V.B.S.
Lausanne for account
E.A.M.T.

(Illegible.)

Reimbursement for expenses

PLAINTIFF'S EXHIBIT 185.

RELEASE

In consideration of the payment of 100,000.00 thousand dollars (receipt of which is hereby acknowledged) and the payment of an additional 20,000.00 thousand dollars on December 31st 1966 and each succeeding year until December 31st 1970, the undersigned acknowledges full and complete satisfaction of and releases and discharges Occidental Petroleum Corporation, its past and present subsidiary corporations, and its and their past and present directors, officers, agents and employees (hereinafter individually and collectively referred to as "Releasee"), from any and all claims, demands and causes of action of every kind and nature, whether or not known or suspected by the undersigned, which the undersigned now owns or holds, has at any time heretofore owned or held, or may at any time hereafter own or hold as against Releasee by reason of any matter or thing occurring before the date of this Release, including specifically but not exclusively and without limiting the generality of the foregoing any and all claims, demands and causes of action, whether or not known or suspected by the undersigned, arising out of or in any way connected with that certain letter agreement between the undersigned and Occidental Petroleum Corporation dated September 18, 1964, or any modification, supplement, revision or novation thereof.

It is the intention of the undersigned in executing this Release that it shall be effective as a bar to each and every claim, demand and cause of action hereinabove described. The undersigned agrees that this Release shall be construed, interpreted and applied in accordance with the Laws of the State of California in the United States of America. The undersigned expressly waives any and all rights and benefits of Section 1542 of the California Civil Code, which reads as follows: "A general release does not extend to claims

PF. DEF. 46 DATE May 6 '71

PLAINTIFF'S EXHIBIT 185

which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor". The undersigned expressly consents that this Release shall be given full force and effect according to each and all of its terms and provisions including as well those relating to unknown and unsuspected claims, demands and causes of action, if any, as those relating to other claims, demands and causes of action.

Dated: 27.VIII 64

F. Galic

FERDINAND GALIC
41 RUE SPONTINI
PARIS 16, FRANCE

State of New York }
County of New York } ss

Sworn to and subscribed before me this 24 day of August 1964.

PETER CAPALBO
Notary Public, State of New York
No. 30-5509905
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 30, 1966

PLAINTIFF'S EXHIBIT 186.

RELEASE

For value received, the undersigned acknowledges full and complete satisfaction of and releases and discharges Ogbi Brothers and Taher Ogbi and each of them (hereinafter individually and collectively referred to as "Releasee"), from any and all claims, demands and causes of action of every kind and nature, whether or not known or suspected by the undersigned, which the undersigned now owns or holds, has at any time heretofore owned or held, or may at any time hereafter own or hold as against Releasee by reason of any matter or thing occurring before the date of this Release.

It is the intention of the undersigned in executing this Release that it shall be effective as a bar to each and every claim, demand and cause of action hereinabove described. The undersigned agrees that this Release shall be construed, interpreted and applied in accordance with the Laws of the State of California in the United States of America. The undersigned expressly waives any and all rights and benefits of Section 1542 of the California Civil Code, which reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor". The undersigned expressly consents that this Release shall be given full force and effect according to each and all of its terms and provisions including as well those relating to unknown and unsuspected claims, demands and causes of action, if any, as those relating to other claims, demands and causes of action.

Dated: 2 [illegible] 64

F. Galic

FERDINAND GALIC
41 rue Spontini
Paris 16, France

State of New York }
County of New York } ss

Sworn to and subscribed before me this [illegible] day of [illegible] 1964.

PETER CAPALBO
Notary Public, State of New York
No. 30-5109038
Qualified in Nassau County
Certificate Filed in New York County
[illegible] March 30, 1965

46A

PLAINTIFF'S EXHIBIT 188.

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

D EXH. NO. 22 rid

BORAK, REPORTERS

1/4/67

August 29, 1966

Mr. Charles ALLEN

30, Broad Street

NEW YORK, N.Y.

Dear Charly,

I am sorry that I could not see you in New York, you were on your trip to LOS ANGELES.

I settled with Dr. HAMMER and I sent you photostatic copy of my settlement. I talked to Minister of Oil and I have to see him end of this week in ROME.

He gave a 100% agreement to support 25% participation. Please send me, by airmail special delivery, photostatic copy of his letter. The one you sent me, I gave it to my lawyer. I would appreciate receiving it at GRAND HOTEL in ROME. I will be there for 8 days, from Thursday September 1st.

Minister told me this morning that he his not sure that there will be oil available for commercialization. Anyway, Dr. HAMMER asked me ten times to find a buyer for oil. Anyhow, I have a buyer, if he finds some.

Then we will buy it together from Dr. HAMMER and we sell to my buyer.

I talked to him about my deal for gas and I told him, that I am ready to do it and this time you have to take averything in hand.

... /

1940a

PLAINTIFF'S EXHIBIT 188

I will probably finish in 3 to 4 weeks and when I will have finished, then we see the advantage whether to take him in or not.

There are advantages and disadvantages, we will see together.

When I finish this deal, I will come to New York for 2/3 days to discuss it over.

I have some problems which I hope to resolve. It is one of the biggest deals on the Continent. For the moment, everything is under my control at 95%.

I will call Margery to-day and tell her that we are leaving for Rome to-morrow. If there is any help to be given to Margery, I will arrange before my departure.

Don't worry, you know she is like my sister.

Best regards to you and Herbert

Yours

Fred

PLAINTIFF'S EXHIBIT 194.

ALLEN & COMPANY
Established 1922
30 Broad Street, New York, N.Y. 10004

Offered 15 H
12-1-67 H

January 31, 1967

Dr. Armand Hammer, President
Occidental Petroleum Corporation
10889 Wilshire Boulevard (Suite 1500)
Los Angeles, California 90024

Dear Armand:

We have been reviewing our agreement with Occidental Petroleum which provides that Occidental and Allen & Company will participate, on a 75% - 25% basis, in any ventures resulting from the Libyan oil concessions granted to Occidental through the intervention of Ferdinand Galic.

We would appreciate being brought up to date on the status of these concessions, any production resulting therefrom and any projects, such as pipelines, which may be contemplated.

Sincerely,

Herbert Allen

1942a

PLAINTIFF'S EXHIBIT 195.

OCCIDENTAL PETROLEUM CORPORATION
10889 WILSHIRE BOULEVARD · SUITE 1500
LOS ANGELES, CALIFORNIA 90024
PHONES: 879-1700 · 477-8521

OFFICE OF THE PRESIDENT

February 11, 1967

Mr. Herbert Allen
Allen & Company
30 Broad Street
New York, New York 10004

Dear Herbert:

I was astonished to receive your letter of January 31, 1967, and can only assume that you have overlooked my letter to you of July 16, 1965, a copy of which I enclose herewith.

At this stage, I see no purpose in reviewing the circumstances surrounding my letter to you of December 17, 1964, or the subsequent events which resulted in my letter of July 16, 1965, referred to above. Suffice it to say, the oil concessions granted to Occidental in Libya did not in any way result from the intervention of Ferdinand Galic, quite apart from the fact that the agreement with Mr. Galic had expired at the time the concessions were granted.

In light of these facts, Allen & Company cannot possibly be entitled to any participation in the concessions.

Sincerely yours,

Armand Hammer, President

AH/jp
Enclosure

BY HAND

DCFT's Ex 33 JL
12/5/67 JL

1943a

PLAINTIFF'S EXHIBIT 204.

TABLE OF CONTENTS

Section	Title	Page
I	SUMMARY	1
II	LIBYA, ITS HISTORY AND GOVERNMENT	
	A. History	3
	B. Government	4
III	RESUME OF PETROLEUM OPERATIONS IN LIBYA	
	A. Introduction	7
	B. Concessions and Companies	8
	C. Summary of Producing Company Operations	12
	D. Pipelines and Terminals	15
	E. Petroleum and the Libyan Economy	19
IV	NATURAL GAS	
	A. Political Ramifications	21
	B. Production and Availability	21
	C. Operators' Plans	22
	D. Occidental's Position	22
V	GEOLOGY	
	A. Introduction	24
	B. Sirte Basin	25
	C. Prospect Areas	30
	D. Map	32a
VI	GEOPHYSICAL EXPLORATION	
	A. Introduction	34
	B. Conventional Dynamite Shooting	34
	C. Weight-Dropping Techniques	35
	D. Geophysical Contractors	35
	E. Gravity	36
	F. Comments	36
VII	DRILLING	
	A. Drilling Contractors	38
	B. Drilling Conditions	38
	C. Mud Companies	41
	D. Drilling Contracts	41
	E. Casing Programs	42
	F. Total Well Costs	43

PLAINTIFF'S EXHIBIT 204

TABLE OF CONTENTS

Section	Title	Page
VIII	FIELD DATA AND CHARTS	
	A. Sirte Basin Field Data	44
	B. Drilling Activity Chart	49
	C. Concession and Exploration Activity Charts.	50
IX	RESUME OF LIBYAN PETROLEUM LAW OF 1955 AND REGULATIONS ISSUED THEREUNDER AS REVISED	51
X	MISCELLANEOUS	
	A. Transportation	54
	B. Office and Housing Availability, Etc.	54

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION I SUMMARY

1. In the five years since the discovery of oil in the Sirte Basin, Libya has become a major crude oil producer with exports now in the order of 1,000,000 barrels per day and the probability of half again that amount in the foreseeable future. As a result, the Libyan Government is financially sound and would also appear to be relatively stable politically.

2. The cost of discovering oil reserves in Libya has been among the lowest in the world — being in the order of ten cents per barrel compared to over $1.50 per barrel in the United States.

3. There remains tremendous potential for additional discoveries in the Sirte Basin as large inadequately explored land blocks in the heart of the productive areas were relinquished under the provisions of the Libyan Petroleum Law prior to many recent discoveries and to the present state of geological knowledge.

4. As attractive as the remaining potential is in Libya, the future exploratory success ratio on the relinquished blocks will not be as high as in the past inasmuch as these blocks have been scanned for large shallow anticlinal features, thus the targets remaining are the more deep-seated structures, on-laps, reefs, truncations, sand remnants and fault plays, all of which will be found only by more sophisticated geophysical techniques and by costly dry hole information for stratigraphic and structural control.

5. What with the existence of three, and by 1966, four, pipeline systems in the Sirte Basin and the "space-available" provisions of the Petroleum Law relative to the use of pipeline facilities by non-owners; the presence of the established camps of existing operators and drilling and service companies; paved roads; electric power facilities; etc.; new discoveries will not have to be as large in order to be highly economic.

6. The attractiveness of the relinquished lands that will be made available in the next round of concession granting can be appreciated when it is realized that most existing operators in Libya have given up the 25 percent depletion allowance on their existing production in order to be eligible to bid for the new concessions.

7. The present Libyan Petroleum Law is relatively favorable, and in essence, provides for a 50-50 split of profits between the Government and the operating companies. Libya will, of course, be influenced by O.P.E.C. decisions and future changes in the Law should not be unexpected.

8. The cost of exploration in Libya is high by domestic onshore standards. However, when compared to offshore costs and the expense of exploring and operating in most foreign areas, the relative attractiveness of Libya becomes apparent and explains its continuing appeal to the oil industry.

9. New concessions will probably be granted early next year with the form of bidding being highly flexible.

PLAINTIFF'S EXHIBIT 204

10. The flaring of oil field gas is of major concern to the Libyan Government and the willingness of Occidental to construct a fertilizer plant in Libya to utilize at least a portion thereof would materially aid our cause in obtaining a concession.

11. Prearranged markets for any crude oil production established in Libya will be a factor in the granting of concessions. For this reason, it would appear advisable, if not imperative, for Occidental to establish a working agreement with a refining company prior to formally applying for any Libyan concession.

12. Operating in Libya is not without its problems and inordinant "operating expenses" should be expected in connection with any substantial activity in that country.

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION II LIBYA, ITS HISTORY AND GOVERNMENT

A. HISTORY

A report of this nature would not be complete without at least a brief resume of the history of the three areas, Tripolitania, Cyrenaica, and Fezzan that comprise the nation of Libya. The history of Libya is essentially a story of conquest and occupation. At the dawn of its history, the indigenous inhabitants, generally of Berber stock, saw enterprising Phoenicians colonizing the Tripolitanian Coast at three points, Leptis Magna, Oea (Tripoli), and Sabratha. Tripolitania, "The Land of the Three Cities", passed under the control of Carthage toward the end of the sixth century B.C. Of all of the subsequent conquerors who planted their flag on the sandy shores of Tripolitania, only the Romans left a permanent monument in the form of the great archeological remains at Leptis Magna and Sabratha; these being magnificant examples of provincial cities at the height of Rome's glory.

Cyrenacia's original inhabitants, however, had been subjected to a different influence from that imposed on the Tripolitanians. Rather than Phoenicians, the first colonizers were Greeks followed by Egyptian overlords. Despite the lines of authority running to Rome, the two territories remain distinct in culture, tradition, and outlook, thus laying the basis for the soil of separateness which is one of the chief weaknesses of the Libyan Kingdom today. Following the destruction of Carthage in 146 B.C., the provinces of Tripolitania and Cyrenaica were united under Roman rule and it was this great African domain which gave inspiration to Benito Mussolini's vision of empire 2000 years later.

In the fifth century, Libya was over run by Vandals under King Genseric, whose unruly hords swept into Africa from Germany by way of Spain. The destruction that ensued was typical of the acts which gave us the word "vandalism". The Vandals were overcome by the invasion of fierce Berber tribes from the interior with the aid of the Byzantine Emperor, Justinian. The Byzantine Emperors followed the peaceful and progressive example of their Roman predecessors and after the Vandals were thrown out set about restoring the greatness of such cities as Leptis Magna.

Little more than 100 years later, the Byzantine succumbed to what proved to be the most potent of all influences on the character and customs of the population. In 643 A.D. the country was invaded by the Arabs under Omar Ibin Alas who swept all before him from his base in Egypt. Although the Arabs conquored Libya, for the next 500 years Berber tribes engaged them in constant conflict.

The second Arab invasion from Egypt occurred in the 11th century. In 1145, the Norman Dukes of Sicily appeared briefly on the scene and although Leptis Magna and Sabratha had fallen into decay under the Arabs, Tripoli was preserved as a fortress. The new invaders were dislodged by the Arabs in 1160 who then remained in power until 1510 when the Spaniards became masters of Tripolitania's chief port. Spain held Tripoli only a few years, for under Emperor Charles the Fifth, it was given to the Knights of St. John along with the Island of Malta. The Knights in turn were driven out by Turkish Corsairs in 1553.

PLAINTIFF'S EXHIBIT 204

The Turkish rulers being also of Moslem faith were tolerated or even welcomed where foreign legions had been ill received before. The Turks thus ruled this section of the Mediterranean Coast for centuries under the control of various potentates in Constantinople, Tripoli, Algiers, and Tunis. Tripoli became the lair of the Barbary Corsairs.

Invaders from Italy in the war launched against Turkey in 1911 brought a new type of civilization totally unlike that of their Roman predecessors to Libya. Unexpected resistance was encountered from the Arab inhabitants and years of guerrilla warfare followed. Not until the final pacification of Libya by the Fascist in 1932, in their attempt to introduce large scale subsidized immigration, was the facade of civilian character erected over the basically military pattern of Italy's colonial adventure. Strategy, of course, had motivated modern Italy's urge to find a place in the African sun. With a French base near Tunis and the British entrenched at Suez, the intervening expanse was a logical place to assert Italian "rights" in the Mediterranean.

The last chapter in the long tale of conquest and reconquest of Libyan territory was written in 1943 when the North African campaign of the Second World War came to an end. "To The Victor Belongs The Spoils" might have been true again as it was in the days of the Romans, but for the first time in Libyan experience and in consequence of the sentiment against territorial aggrandizement that accompanied the defeat of the Nazi Germany and Fascist Italy occupation by a foreign army was profoundly temporary in character.

For a number of years following the war, considerable "jockeying for position" went on between Great Britain, France, Italy, Egypt, and the U.S.S.R. regarding Libya. During this time these nations decided that Libya was in fact strategically situated and that a degree of control would be militarily advisable.

As if in desperation at its inability to bring about any other solution, the General Assembly of the United Nations, on November 21, 1949, voted to grant Libya its freedom as an independent soverign state as soon as possible and in any case not later than January 1, 1952. The interval, of course, was necessary for the Libyans to learn something of self-government. The United Nations appointee, Mr. Adrian Pelt, did an admirable job during the following two years and in December of 1951, just before the U.N. deadline, the first free elections were held and Libya, for the first time in its history, became a free and independent nation.

B. GOVERNMENT

Under United Nations guidance, the three provinces, Tripolitania, Cyrenaica, and Fezzan, were united under a federal system with the form of government being a constitutional monarchy.

The first King of Libya is Sayed Mohamed Idris el Senussi (King Idris I). Idris' strength and respect stems from two sources. He is the leader of the Senussi confraternity, a religious order preaching the return to the rituals and beliefs of early Islam as embodied in the Koran stopping only short of the asceticism and noted for its puritanical way of life. He is reputedly a direct descendant of the Prophet Mohamed himself.

PLAINTIFF'S EXHIBIT 204

Coupled with the strength of the religious movement, which Idris inherited, went the fame he acquired as an active opponent of Italian domination. He succeeded as well to leadership of the resistance against Italy's forceable occupation of Libya which began the Italian-Turkish war of 1911 and 1912. Although he spent more than 20 years in exile, his name was a rallying cry for guerrillas who made life dangerous for the Italian forces seeking to subdue the hinderland. Against the Fascist in the Second World War, his people gave willing aid to the British. Thus it was natural that upon the shoulders of Idris should fall the mantle of royalty when the decision was reached that the three provinces of Libya should be united in a federal kingdom.

Before Libya achieved independence, its name was merely a geographical expression, for its people preferred to be called Tripolitanians, Cyrenaicans, and Fezzanese rather than to be identified by the geographical name of the country; nor had the term Libya ever been applied to a well-defined territory. To the ancient Greeks, Libya meant the entire North African area, while to Roman and Arab geographers, it meant two different regions. For this reason, Libyan Government was initially established on the federal principal and compromise designed to preserve state's rights while at the same time yielding power in certain matters to a common political authority. The powers of the Libyan Government, like all other federal systems, were enumerated but all residual powers were left to the provinces. The provinces were headed by a Wali or Governor, who was appointed by the King.

The King is supreme head of the state and the supreme commander of the Libyan armed forces and shall be succeeded by his male heirs as the throne of the Kingdom is hereditary. The King selects the Prime Minister and appoints the other Ministers on his recommendation.

The Cabinet is made up of the Prime Minister and 19 other Ministers. None can be a member of the royal family and they may or may not be a member of Parliament. The Cabinet is responsible for the conduct of public affairs both internal and external and are jointly responsible to the Lower House of Parliament. Should a majority of the members of the Lower House of Parliament pass a vote of no confidence in the Cabinet, or any single Minister in the Cabinet, resignation must follow. If the Prime Minister resigns or is dismissed, all other Ministers are regarded to have resigned or to have been dismissed.

Legislative power in Libya is vested in the Parliament and in the King. Parliament is composed of two houses, the Senate and the House of Representatives. The Senate, like other federal systems, represents the provinces, consists of 24 members. Each province is equally represented by one-third of the members. The King appoints one-half of the Senators, the other half are elected by the legislative assemblies or the provinces. The House of Representatives is an elected and representative body of the whole population on the basis of one deputy for every 20,000 inhabitants.

As can be seen by the foregoing resume, "control" of Libya actually is vested for all practical purposes solely in the hands of the King. Political parties have been banned since 1952 and opposition to the official policies in the political status quo is not encouraged. In April of 1963 following the ratification by the two chambers of the National Assembly (Parliament), the executive functions of the provincial administrations were transferred to the central Government, thus placing even more power in the hands of the Monarch.

PLAINTIFF'S EXHIBIT 204

Following the centralization of the Government last year, a question of prime concern to the operating oil companies is ".... after King Idris, what?". King Idris, despite his power is immensly popular with and respected by his people. He is, however, 74 years of age and will not live forever. The heir to the Crown is Prince el Hassan el Rida el Senussi, the King's nephew. Until the last year, the Crown Prince had been held in the background. The Crown Prince is not popular with the people, nor with the Ministers and politicians. In an attempt to overcome this, the King has made the Crown Prince his personal representative and leader of all Libyan delegations to recent high-level meetings such as the Unaligned Nations Converence in Cairo and the Arab League Meetings. This attempt to create a position of authority for the Crown Prince may be a case of "too little, too late".

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION III RESUME OF PETROLEUM INDUSTRY OPERATIONS IN LIBYA

A. INTRODUCTION

By October, 1964, just three years after the first cargo of crude oil was shipped from Libya, the country's young oil industry passed the 450,000,000 barrel mark in cumulative crude oil exports. At present, five producing companies (Esso-Standard, Esso-Sirte, Oasis, Mobil, and Amoseas) are exporting approximately 900,000 barrels a day, and the outlook is for a continuing rise in the rate of crude oil production and exports both by these companies and by others nearing the production stage. Libya's third pipeline system will be completed by January, 1965, and at that time production is expected to pass the 1,000,000 barrel a day mark. By way of comparison, it should be realized that the crude production of the entire State of California last year averaged only 825,000 barrels per day and at its maximum in 1953 only slightly exceeded the 1,000,000 barrel a day figure that Libya has achieved in the five years since the first discovery was made. By year end 1966, when Libya's fourth pipeline system is completed connecting British Petroleum's and N. B. Hunt's huge Concession 65 "C" field to the coast at Tobruk, Libya's crude oil production will be in the order of one and one-half million barrels per day and may achieve that magnitude through the three existing lines prior to that time.

Oil has already begun its work of transforming the Libyan economy. In 1962, crude oil exports halved the previous current account deficit while 1963 brought Libya a substantial surplus on merchandise account in the balance of payment for the first time in the country's modern history. At the same time, oil has given the Libyan Government a new and growing source of revenue to finance the economic development of this country. In the private sector of the economy the demands of the oil industry have spurred construction activities, provided direct and indirect employment opportunities, and opened up a host of new business opportunities for Libyan enterprises and for foreign exporters and potential investors.

The remaining potential for further major oil discoveries in Libya can best be expressed by the willingness of the existing operators to give up their 25 percent depletion allowance as provided for under the Libyan Petroleum Law of 1955, under which their initial concessions were granted in order to be eligible to bid on new concessions in the relinquished areas which were not adequately explored. One such relinquished area which has considerable appeal covers approximately 1200 square miles upon which only two wildcat wells were drilled. This tract is situated between the Zelten field, in which recoverable reserves are estimated to be approximately three billion barrels, and the Gialo field with reserves in the order of one and one-half billion barrels. It should be further noted that all of the Libyan production to date comes from the Sirte Basin, only one of three potential oil basins in the country.

As of June 1, 1964, 1156 wells have been drilled in Libya of which 511 were rated as productive oil wells and two as gas wells. These wells had a total tested potential rate of production of 723,694 barrels of oil per day. That figure is in fact, however, erroneously low and gives an ultra conservative indication of the producing potential of the country.

For example, the 45 productive wells in the Zelten field had a total initial production test rate of 129,108 barrels per day whereas in actual fact, the wells on production are producing at a sustained rate of 480,000 barrels per day, or almost four times the IP figure.

Steadily accelerating pace of oil industry operations since the first well was drilled in 1956, is graphically shown on the accompanying table which reveals that half as many wells were drilled in 1963 alone as in the previous seven years. The stringent relinquishment provisions have helped spur the pace of exploratory drilling. However, they have had the disadvantage of obligating concession holders to drill some of the relatively less attractive portions of their concessions in order to decide what to give up. The accelerating rate of drilling will probably see a reversal next year unless new concessions are granted. A harbinger of this is the reduced geophysical activity which has seen a decline of active crews from a maximum of 40 in 1960,to 26 during 1963, and approximately 17 at the present time. There are, in fact, 10 of the 62 drilling rigs in Libya stacked at the present time. These factors will be discussed further under the Sections on Geophysics and Drilling.

In the fall of 1963, accumulated expenditures by the oil industry topped a billion dollar mark with over $308,000,000 reported for the year of 1963 alone by the Ministry of Petroleum Affairs. Of the amount spent on exploration (the total includes cost of fixed installations), roughly two-thirds has been invested in wildcat drilling and one-sixth in geophysical surveys, the remainder covering rents, fees, and such other services as water well drilling, aerial photography, etc.

The attractiveness of exploration for petroleum in Libya can, in reality, be summarized by the one statistic alone. "Based on the exploratory expenditures to date, the cost of discovering proven reserves in Libya has been in the order of from five cents to ten cents per barrel." By way of comparison, the unit cost of finding and developing oil in the United States has now been variously estimated to be in excess of $1.50 per barrel compared with about 93 cents per barrel in 1950. Thus, the search for domestic production is costing more and more money to find smaller and smaller and less profitable reserves. For a more direct comparison with the foregoing figure, if the development, pipeline, and terminal costs of Libyan operations are included, the investment per barrel of reserves is in the order of ten to fifteen cents.

B. CONCESSIONS AND COMPANIES

Preliminary geological investigations were carried out in Libya from 1953 through 1955, under the terms of permits granted in accordance with the minerals law of 1953. In November, 1955, the first concessions for petroleum exploration and development were awarded under the terms of the 1955 Petroleum Law. At present there are 18 concession-holding companies with a total of 95 concession areas. These companies include combinations of 14 American, 1 English, 1 Anglo Dutch, 1 French, 4 German, and 2 Italian, as follows:

1. American Overseas Petroleum Company, Ltd. (Standard of California and Texaco, Inc.)

2. Ausonia Mineraria - AMI - S.P.A.

PLAINTIFF'S EXHIBIT 204

3. British Petroleum Exploration Company (Libya) Ltd.

4. Compangie Des Petroles Total Libya.

5. Compagnia Recerche Indrocarburi S.P.A.

6. Deutsch Erdoel AG, Libya/Wintershall AG Libya.

7. Elwerath Oil Company, Libya.

8. Esso-Sirte, Inc. (Jersey Standard 50%, Libyan American 25-1/2%, W. R. Grace 24-1/2%).

9. Esso-Standard Libya, Inc. (Standard Oil Company of New Jersey).

10. Gulf Oil Company of Libya.

11. Libyan American Oil Company.

12. Libyan Atlantic Oil Company.

13. Libya Shell NV.

14. Mobil Oil of Libya, Ltd. (75%), Gelsenberg Benzin AG (25%).

15. Nelson Bunker Hunt.

16. Oasis Oil Company of Libya (Amerada 33-1/3%, Continental 33-1/3%, and Marathon 33-1/3%).

17. Pan American Libya Oil Company.

18. Phillips Petroleum Company, Libya.

The 95 current concessions cover slightly less than 50 percent of Libya. Concessions are subject to relinquishment at the rate of 25 percent at the end of five years, a further 25 percent of the original concession area in the following three years, and a final surrender to bring the total concession to 33-1/3 percent of the original area at the expiration of ten years from the date of the grant in Zones 1 and 2 and to [illegible] cent of the original concession area in Zones 3 and 4. This will be discussed further under [illegible]ion on Libyan Petroleum Law. The surrender procedures have already reduced the total area covered by concessions from 65 percent to less than 50 percent of Libya's total land surface. In addition to the land concessions, six marine concessions have been granted covering a total of just under 30,000 square kilometers in the Gulf of Sirte.

PLAINTIFF'S EXHIBIT 204

No concessions have been awarded since 1961, although continuing relinquishments under the provisions outlined above have whetted oil company interest in obtaining further areas for exploration. Plans for new concessions were, in fact, accepted during 1962 with awards scheduled to be made on September 15. However, the opening date of the bids was indefinitely postponed two days before it was due to take place. The concessions granted in April of 1961 were, themselves, granted under rather unusual circumstances as the bids were opened with no prior announcement for a period of only six days during which time Pan American and Phillips each submitted bids and bidding was then prematurely closed. These irregular procedures have been the subject of severe criticism by the other operators and by Libyan politicians ever since.

In the wake of substantial relinquishments in late 1963 and early 1964, it has been anticipated that the Libyan Government would probably call for bids on new concessions during the course of the current year. This expectation was strengthened in June, 1964, when the remaining members of the Supreme Council for Petroleum Affairs were named by the Libyan Government. The Council, an inadministerial body, established by 1963 amendments to the Petroleum Law, is required by law to advise on such policy matters as new concessions. Therefore, its convening now clears the way for fresh awards.

Guessing the date when the Government will actually call for bids on new concessions is one of the more popular pastimes in Libya ranking closely with the National Lottery. Everyone that I talked to in Libya, who is in any way involved in the oil industry, had an opinion as to when new bidding would take place. These guesses range from a certainty that the calls for bids would be prior to election of October 10 (which call did not materialize) to immediately after the reconvening of Parliament later this month, to early 1965 before the Moslem religious holiday of Romadon, to shortly after Romadon, to not at all.

Probably the most authoritative information as to the thinking of Mr. Fuad Kabazi, Minister of Petroleum Affairs under the existing cabinet of Prime Minister Mahmud Muntasser, was provided by Mr. Allen Lightner, U. S. Ambassador to Libya, and his Chief Deputy, Mr. Phillip Haring, for many years Economic Attache in Libya. These gentlemen have been in very close touch with Mr. Kabazi during the past six to eight months. In substance, Kabazi's position is this: He wanted to issue new concessions prior to September 1, by which time the local political campaigns were under way. He was unsuccessful in doing so for several reasons, the principal one being the abnormal number of high level meetings involving Libyan officials during this past year. These included talks with the United States regarding the further status of Wheelus Air Force Base, Arab League Meetings, O.P.E.C. Meetings (Organization of Petroleum Exporting Countries), United Nations Meetings, and more recently the meeting of Unaligned Nations in Cairo. Because of all this conferencing, influential Libyan Officials have spent more time out of the country than in since last spring. Thus, when the calls for bids could not be put out prior to electioneering time, it became obvious that another delay would be required as the actual fact of granting and the terms of new concessions would have become an obvious political football.

Kabazi had reached agreement in substance from some, but probably not all, of the other Ministers as to Kabazi's proposed terms for such concession granting. Undoubtedly a considerable amount of "infighting" is going on. The Petroleum Law allows applicants

PLAINTIFF'S EXHIBIT 204

for concessions to use their imagination in framing applications to make them attractive to the Government, and it is suggested in some quarters that the greed of the preceding Government was largely responsible for its downfall. Kabazi's thoughts as to the requirements for being awarded a concession are as follows:

1. Concessions would not be awarded on the basis of a high cash bonus alone.

2. Concessions would go to companies who could do the most overall good for Libya; that is, in the field of training and employing people as well as provide cash flow for the economy.

3. Concessions would not go to any corporations wanting to build fertilizer plants based or supplied by gas that they might discover on their newly acquired concession.

4. A principal consideration will have to include a plan to, in some manner, utilize gas now being flared.

5. The concessioneer will have to have a demonstrated ability as a successful explorationist and as a prudent operator.

6. Some tie with the fertilizer industry will probably be required, included in this would be established markets as a major factor. Another major consideration would be the willingness to commence fertilizer plant construction in the very near future to utilize at least a portion of the flared gas.

7. Some firm plan for marketing crude oil production will be a definite consideration in the awarding on concessions.

8. Preference to any company with participation by the Libyan Government or Libyan Nationals will be given; however, such companies having Nationals as principals or officers would not necessarily qualify if they lacked the experience and marketing factors.

9. All other things being equal, a cash bonus would then be a factor.

A possible significant factor in the timing of the call for bids would be the fact that Oasis will have to make its second round or eighth year relinquishment on the fabulous Concession 59 in late December of this year. Therefore, since the call for bids has been delayed this long, it seems to be the consensus of opinion that it will not go out until early 1965. However, this will be discussed further under the section on the Libyan Political Situation.

PLAINTIFF'S EXHIBIT 204

C. SUMMARY OF PRODUCING COMPANY OPERATIONS

1. Esso-Standard Libya, Inc.

In September, 1961, just two years after the discovery of the Zelten field, Esso-Standard Libya, subsidiary of Standard Oil Company of New Jersey, became the first company to export crude oil from Libya. Since that date, Esso has remained in first place as an exporter, although Oasis has a higher known potential and is expected to exceed Esso-Standard's production by the end of the year. Esso-Standard is currently producing an average of approximately 460,000 barrels per day from its Zelten field in Concession 6. At Zelten, Esso-Standard has 50 wells of which 45 are currently producing through three gas-oil separation plants, two of which have a designed capacity of 200,000 barrels per day each, and the third with a capacity of 100,000 barrels per day. The wells are tied to the gas-oil separating units through six and eight inch flow lines, carrying an average pressure of 650 psi. The gas is taken off in three reducing operations, the last of which is near atmospheric pressure. Esso-Standard is currently flaring about 350,000 Mcf of gas per day at Zelten. To cope with the saline crude from certain wells in the field, Esso-Standard has installed a 100,000 barrels per day dehydrator. After treating, the Zelten crude goes to separation tanks, then through pumps, and a meter battery (all crude production in Libya is metered and no gauging is required), and then into the 30-inch pipeline to the port at Marsa el-Brega.

Esso-Standard has recently completed a $40,000,000 salt water pipeline with a capacity of 500,000 barrels per day from the coast to the Zelten field. The 110-mile, 36-inch pipeline and related installations are designed to carry water from a dozen wells to near the coast of Marsa el-Brega to Zelten, where at the present time a limited injection program is on trial. Subsurface injection is now in process in a number of downdip peripheral wells and will be used to maintain maximum reservoir pressure in the interest of improving both production rate and total recovery. Zelten wells are now flowing at an average of 10,000 barrels per day apiece. Recoverable reserves have been estimated by other companies to be on the order of from two to four billion barrels. Esso is understandably noncommittal on this point.

Esso is also developing the Jebel field some 15 miles south of Zelten, also in Concession 6. There are about a dozen productive wells in the field which will be tied into the Zelten pipeline system in the near future.

Esso-Standard has made three new field discoveries within the past few months. Each of these are within ten miles of the Zelten field itself, one to the north, one to the northeast, and one to the southeast. Further evaluation in development drilling is expected to proceed at a rapid pace.

Esso has also discovered two, or possibly three, gas fields in the northeastern portion of Concession 6, some 50 miles northeast of Zelten, and 70 miles from the coast. These will be discussed further in the section on Natural Gas.

2. Esso-Sirte, Inc.

Esso-Sirte is the second Libyan affiliate of Jersey-Standard, created to act as the operating company for the three concessions held jointly by Jersey (50%), Libyan American

Oil Company (25-1/2%), and W. R. Grace Company (24-1/2%). After Libyan American, subsidiary of Texas-Gulf Producing Company and W. R. Grace drilled three or four dry holes on their concessions, Esso picked up half interest therein and proceeded to make two discoveries. The most prolific of these is the Raguba field located in Concession 20. Raguba was discovered in January, 1961, and was connected through the Zelten pipeline system to Marsa el-Brega by early 1963. At the present time, Raguba is producing approximately 80,000 barrels per day from some 30 productive wells. Raguba field is equipped with two 40,000 barrels per day gas-oil separating units, a 20,000 barrel test separator, and a 30,000 barrel per day dehydrator. Although the water cut at Raguba is low, Raguba crude has a high saline content which creates a difficult treating problem. Because of the design of most European refineries, the salt content of the crude is usually held as close to ten pounds per thousand barrels as is possible, and in no event is any crude shipped with a salt content greater than 30 pounds per one thousand barrels.

The second Esso-Sirte discovery was that of the Mabruk field in Concession 17. The Mabruk field has not yet been tied into a pipeline system and there are no immediate plans to do so, however, Esso-Sirte has purchased a ten percent interest in the Oasis system so that at some future time Mabruk field crude may be shipped through that line. Although the Mabruk field has not been totally defined, it is a "Y" shaped accumulation over 15 miles in length with a dozen wells capable of production. There are reportedly considerable in-place reserves, however, the crude has no associated gas and is underpressured and thus not as attractive for immediate development.

3. Oasis Oil Company of Libya

Oasis, the Libyan operating arm for three American oil companies, Marathon, Continental, and Amerada, became the second producing company in Libya in May, 1962, when it made its first oil shipment to the new Oasis port of Ras es-Sidr. Since the port was formally inaugurated in November, 1962, the company has upped its average export rate to about 360,000 barrels per day, and as soon as the new power plant at the Gialo field is operative, Oasis will be shipping over 500,000 barrels per day. Oasis' initial discovery in Libya turned out to be the one well Bahi field in Concession 32, following shortly thereafter, however, was the discovery of the large Dahra field in the same concession. Dahra is currently producing approximately 140,000 barrels per day from some 100 wells in two different reservoirs. Dahra is unique in Libya in that it is the only field with a gas cap discovered to date. Approximately 100,000 Mcf of gas is being flared each day in Dahra alone.

Following the discovery of Dahra, Oasis concentrated its exploratory efforts in the now fabulous Concession 59. This concession has been by far the most prolific in terms of the number of fields discovered to date. The number now stands at 16 apparently separate fields. Included in the total are at least four major fields, Gialo, Waha, Defa, and Samah. The reserves of these four fields have been estimated to be on the order of four billion barrels. The other discoveries have not been fully defined at this time.

The details of each of the producing fields in Concession 59 will be covered in more detail in Section IV of this report. Of the fields currently on production, Waha is the largest, producing about 140,000 barrels per day from about 60 wells. The Samah field

producing from depths of 6500-7000 feet currently produces about 60,000 barrels per day. Gialo is the largest of the fields and will have an initial producing capacity in excess of 150,000 barrels daily. Interestingly enough, each of Gialo's 85 wells will be equipped with a down-hole Reda pump, with an expected production rate on the order of 2000 barrels of oil per day per well.

4. Mobil Oil of Libya, Ltd.

In November, 1963, Mobil joined the ranks of exporting companies when it made its first shipment through the Oasis pipeline system at the port of Ras es-Sidr. Since that time Mobil has continued to export quantities ranging up to nearly 1,000,000 barrels a month through that port on a "space-available" basis and has meanwhile begun construction of its own pipeline system and port facilities.

All of Mobil's production to date is coming from the Hofra field in Concession 11. The Hofra field is in fact an extension of the Dahra field discovered by Oasis in Concession 32. Hofra is the downdip end of a plunging anticline from which Mobil has produced up to 70,000 barrels per day from some 35 wells. Being downdip from the gas cap, Mobil has not been plagued with high gas-oil ratios that Oasis has encountered at Dahra and is flaring less than 50,000 Mcf per day at the present time. Mobil has subsequently made three discoveries on Concession 11, all being 30 to 50 miles west and southwest from the Hofra pool. Little or no development drilling has been done on these recent discoveries and as yet no time table is established for their hookup to the pipeline system. Mobil's second largest field which is located in Concession 13 has been named Ora. The Ora field will be hooked into Mobil's new pipeline system by year end and is expected to produce about 25,000 barrels per day from some ten wells. Mobil has recently made a new find some ten miles east of Ora, on their 0-1-13 wildcat which flowed 1344 barrels per day from a porous dolomite zone at about 8900 feet. Stepout wells are now being drilled to evaluate this discovery.

Mobil's 25 percent partner in their 16,000,000 acres of Libyan concessions is the German refining and marketing firm of Gelsenberg Benzin. It is expected that most of Mobil's Libyan crude will be refined and marketed by this associate.

Some 100 miles to the east-northeast of Ora on Mobil's Concession 12 is their large Amal field. The Amal trend would appear to be over 30 miles in length and six miles in width. Production is from a depth of about 9500 feet in a cemented basal sandstone and conglomerate of undetermined age resting directly on granitic basement rocks. Over a dozen wells capable of production have been drilled in this field. Mobil has reported to have plans to tie this field into the pipeline system next year, however, because of its proximity to acreage which will be available in the next round of concession bidding, they are extremely secretative as to the details thereof.

5. American Overseas Petroleum Company, Ltd.

Amoseas is a jointly owned subsidiary of Texaco, Inc. and Standard Oil of California on a 50-50 basis. Amoseas joined the ranks of exporting companies in February of this year

when it too used the Oasis pipeline system for its initial shipment from the Beda field. Its production is fluctuated from month to month because of the "space-available" basis in the Ras es-Sidr pipeline. The maximum production to date from the Beda field has been 25,000 barrels per day from some 25 producing wells, all of which are on the pump. Beda will be tied into the new Mobil pipeline system by early next year.

Amoseas has made several subsequent discoveries in Concession 47 in which Beda is located and are in the process of evaluating these for pipeline hookup at the present time. Amoseas has also made a discovery in their Concession 51 which would appear to be the southeast extension of Mobil's Amal field.

6. British Petroleum Exploration Company (Libya), Ltd. and Nelson Bunker Hunt

In addition to eight concessions held separately by British Petroleum and one by N. B. Hunt, the two companies are joint holders of Concession 65 located in Zone 3 of southern Cyrenaica. On the "C" structure in this concession, about 30 productive wells have been drilled with the indication that a field of truly major proportions is being developed. Production is from basal clastics at a depth of about 9000 feet resting directly on granitic basement rocks. Variable thicknesses up to 300 feet with widely varying permeability and porosity characteristics have been encountered in these basal sandstones and conglomerates. N. B. Hunt's engineers have made a public statement that recoverable reserves are in the order of six to ten billion barrels. After this appeared in print, British Petroleum promptly issued a statement that it was much too early to release any reserve figures and that certainly Hunt's engineers must have meant oil in place. In any event, a field of major proportions has been discovered.

7. Pan American Libya Oil Company

Pan American has made a discovery on their Concession 93 in a portion handed back by Amoseas out of their original Concession 47 area. The size and significance of this discovery is not known at this time.

8. Phillips Petroleum Company of Libya

Phillips has made two discoveries on their Concession 92 which they acquired in the aborted concession letting in 1961. Concession 92 was formerly a portion of Mobil's Concession II. Neither discovery has been fully defined, however, they are expected to be of less than 10,000 barrels per day capability each (small by Libyan standards).

D. PIPELINES AND TERMINALS

Two big-inch, high-volume pipelines are presently in operation from Libya's Sirte Basin oil fields to terminal ports on the Gulf of Sirte. A third line is approximately two-thirds completed and a portion of that system will go on stream in January of 1965. A fourth major pipeline system is programmed and the contract for the pipe has been awarded. It is anticipated that the latter line will be on stream during the following year.

PLAINTIFF'S EXHIBIT 204

1. Marsa el-Brega System

Esso-Standard Libya had their Marsa el-Brega pipeline system in operation in September, 1961, just two years after their discovery of the Zelten field. The Esso system is a 30-inch diameter, 100-mile pipeline from the Zelten field to the new port at Marsa el-Brega. Four pumps are currently in use to force the present output over a 200-foot high escarpment about 20 miles north of the Zelten field and gravity flow takes the production the rest of the way to the port. Fifty-seven miles of 20-inch diameter line connects the Raguba field into the Marsa el-Brega system north of Zelten. There is one additional pump on the Raguba spur. The total throughput in this system at the present time is 540,000 barrels per day with the capacity of substantial increases with additional pumping stations. Esso is about to start construction on the 15-mile extension which would link the Jebel field into this system.

Marsa el-Brega, covering some 7000 acres, was Libya's first petroleum port and also the site of the country's first oil refinery. Construction of the port, which began in June, 1960, was formally inaugurated in October of 1961. Tankers were loaded through offshore lines and through a bow-mooring device to enable loading during rough water. A 975-foot inner-harbor breakwater provides protected alongside anchorage for cargo vessels.

Since tanker loadings through offshore lines at Marsa el-Brega are subject to interruption by adverse weather conditions, in order to maintain regular production in the fields, the port had to have adequate storage facilities to absorb field production when loading is suspended for several days. Thus, the port has 16 floating roof tanks of 268,000-barrel capacity each (200 feet diameter and 48 feet high), roughly sufficient to handle eight days' production.

From the storage tanks, the crude flows through three miles of 48-inch diameter line to the meter battery and then into one of four loading lines currently in operation to a 30-inch diameter line that leads to the offshore berths about a mile from the beach. Berth No. 1 has a maximum capacity of 36,000 ton tankers and loads at 15,000 to 16,000 barrels an hour. Berth No. 2, which can handle tankers up to 50,000 tons, loads at 15,000 barrels an hour. The third offshore line located about two miles west of the initial berth is of 48-inch diameter and designed to handle larger tankers and delivers 40,000 barrels per hour. In addition to the conventional offshore lines, Esso also uses a bow-mooring device fed by a 42-inch line. A 2300 ton cylindrical pylon topped by a 100-foot boom with a 560-foot arm permits a tanker to swing 360 degrees and rock up to 20 degrees without interrupting loading. The boom rides a seven-ton ball bearing where it joins the pylon while the second ball bearing links the arm to the boom. Tankers moor alongside the end of the arm and hitch their six flexible hoses to the tank. Loading is at the rate of 40,000 barrels an hour to any size tanker now currently in use.

In addition to the 8000-barrel a day refinery, which will be discussed in a later section, Esso has constructed an electric power plant which provides electricity for the Zelten, Raguba, and Jebel fields as well as for the port facilities themselves. The power plant was assembled in Spain and floated to Marsa el-Brega in late spring of 1963 and has two turbine generators of 12,500 kilowatts each powered by fuel oil. The plant is linked to the field camps by power lines carried on double pole towers 60 to 70 feet high, set

approximately 700 feet apart along the edge of the paved road which now runs from Marsa el-Brega to the fields. The camps are supplied with three-phase power at 138,000 volts.

2. Ras es-Sidr System

The initial 87 miles of 30-inch line from Oasis' Dahra field to their new port at Ras es-Sidr was completed and put on production in May, 1962. Initial production through the line was on the order of 100,000 barrels per day. In August, 1963, the output of the Dahra field was supplemented by that from the first of several producing areas in Concession 59 as a further length of the pipeline went on stream. From Dahra a 32-inch line extends approximately 100 miles to the southeast to a point about two miles north of the Samah field, and there a 30-inch line goes east-northeast to the Zaggut field, and a 24-inch line then continues to the southeast to the fields of Waha and Defa. Current production through the system is approximately 360,000 barrels per day.

Within the past month Oasis completed another 100-mile link, 30-inch diameter pipe to the huge Gialo field in the eastern portion of Concession 59. When the Gialo power plant is operative, an additional 150,000 barrels per day will be fed into the Ras es-Sidr system and for the first time Oasis' exports will exceed those of Esso.

At Ras es-Sidr, Oasis presently has three deep-water loading berths approximately one mile offshore. Crude oil passes through a battery of 15 meters, each with a capacity of 12,500 barrels per hour into a 42-inch line to the edge of the water and thence through 36-inch underwater lines to the berths. A fourth berth is being installed. It will operate on a crossover from the other three berths and will not have a separate line for the meter battery. The average loading rate for the Oasis berths is about 32,000 barrels an hour with a 42,000 barrel per hour maximum rate.

The storage facilities at Ras es-Sidr comprise eight tanks of 313,000-barrel capacity each (56 feet high and 200 feet in diameter). The tanks are located on high ground four miles from the shore thus providing good gravity drainage loading without the use of additional pumps. Three additional tanks of the same size are under construction and two more are planned. One of these will replace a tank destroyed by fire earlier in 1964.

3. Ras Lanuf System

The Ras Lanuf system, Libya's third pipeline, is owned 52-1/2 percent by Mobil, 17-1/2 percent by Gelsenberg Benzin, and 30 percent by Amoseas. A 40-inch diameter sector of the new line is completed and has been water tested. This sector leads from the tank farm at Ras Lanuf near Oasis' port of Ras es-Sidr for some 55 miles into Syrtica. The pipeline bifurcates at that point into two, 24-inch diameter lines, one leading off some 36 miles to the Hofra field to the southwest, and the other 24-inch line heads southeasterly for over 80 miles to pick up Mobil's Ora field and Amosea's Beda field production. Mobil has stated that the operation was on schedule and that the first crude would go through the system in January of 1965.

PLAINTIFF'S EXHIBIT 204

At Ras Lanuf work continues on the service harbor, about half of the outer breakwater wall being completed. The submarine lines are installed but the moorings are still to be put down. Anchor loading will be done at two berths at some 6000 feet offshore. Ships will be secured by seven moorings and the ship's anchor in water deep enough to allow the largest tankers to load.

Initial capacity of the Ras Lanuf pipeline system will be 160,000 barrels a day with an ultimate throughput of more than twice that amount.

Prior to the completion of the Ras Lanuf line, Mobil will continue to move its Hofra oil and Amoseas its Beda oil through Oasis' Ras es-Sidr system on a "space-available" basis which is provided for by Article 12 of the 1955 Libyan Petroleum Law. This provision says in effect that any concession holder having pipeline capacity in excess of his own requirements must make same available to other producers on a pro rata cost basis. However, if additional pump stations should be required, the producer requesting usage would have to bear the expense thereof himself. The pipeline owner must give one years' notice if at some future time he requires the additional capacity for his own production.

Article 12 is thus a very significant feature of the Petroleum Law and in essence assures any producer of pipeline availability at costs no greater than those of additional pump stations. A formula for prorating costs is provided in the Law.

4. Tobruk System

British Petroleum and N. B. Hunt have elected to have their pipeline terminus at Tobruk in northeast Cyrenaica rather than in the Sirte Gulf as have the other producers. The new B. P.-Hunt line would tie in their huge multi-billion barrel "C-65" field, the southernmost production in the Sirte Basin, with the coast. The line would be approximately 350 miles in length and be constructed of 34-inch diameter pipe with an ultimate daily capacity of 1,000,000 barrels. Tobruk has the advantage of being one of the two deep water ports in Libya along with Tripoli Harbor in the northwestern portion of the country and thus loading would not have to be carried on at offshore facilities and be subject to the vagaries of Mediterranean weather. The total project, including clearing of the Tobruk Harbor of the many ships sunk there during the North African campaign of the Second World War, will reportedly run upwards of $80,000,000. Orders for all of the pipe have already been placed with Italian and British mills and is expected to start arriving in Libya within the next month. The call for bids on the construction of this pipeline went out early this summer to five groups of major pipeline and construction concerns. The low bid was submitted by H. C. Price and Company and construction should have started over a month ago, however the Libyan Government has not approved British Petroleum's contract with Price. At the root of the problem regarding the Libyan Government's reluctance to authorize B. P. to use Price is the fact that several of the unsuccessful concerns included Libyan national's construction companies. Shortly after B. P. announced that Price was the low bidder, the Arab press started a rumor campaign that H. C. Price was an active Zionist and supporter of Israel and was involved in the proposed Jordan River diversion project.

PLAINTIFF'S EXHIBIT 204

It is rumored that Mobil's large (or at least sizeable in aerial extent) field of Amal in Concession 12 will be linked to the B. P.-Hunt Tobruk pipeline system.

5. Western Desert Pipeline

Numerous small oil discoveries have been made in the past eight years in Libya's Western Desert, some 500 to 600 kilometers south of Tripoli and adjacent to the Algerian and Tunisian borders. None of these discoveries have in themselves proved to be large enough to warrant a long pipeline to the coast, however, the Libyan Government is currently putting considerable pressure on the principal operators in this area, namely Gulf Oil and the French concern of C.P.T.L., to start marketing this potential production. Shell, Phillips, B. P., Oasis, and Esso also have made small discoveries in the Western Desert. Certainly in time this production will be marketed although the companies claim to have no immediate plans for a pipeline.

E. PETROLEUM AND THE LIBYAN ECONOMY

In the eight years since the first concessions were granted, the petroleum industry has become far and away the largest single source both of foreign exchange and of revenues for the Libyan Government. In 1962, the first full year of petroleum exports crude oil shipped abroad was valued in excess of £L47,000,000 and the current account of the balance of payments showed a deficit only half that of the previous year. With the rate of exports continuing to rise sharply, 1963 brought substantial surplus on the current account as crude oil exports valued at £L132,000,000 (approximately $388,000,000) substantially exceeded even the £L85,000,000 record level of imports. Revenues in 1964 will of course be sharply up from those of the preceding year.

At the same time, the industries provided a new and major source of Libyan Government revenues. These were paid in the form of land rents, miscellaneous fees, royalties on crude oil shipments, and surtax up to 50 percent of the total profits for any company reporting a profit position. Under the amended Petroleum Law, royalties are based on one-eighth of the posted price of $2.21 per barrel for 39 gravity API crude. However, some flexibility in this provision arises from the fact that discounts granted to purchasers for the purpose of meeting competition and establishing a market for Libyan crude may be calculated as marketing expenses. Such discounts normally must be shown to be commercially reasonable in relation to the market circumstances, a point which has produced some disagreements between the exporting companies and the Libyan Government.

For fees and concession rentals, two arrangements are currently in effect, although the Libyan Government is trying to bring all companies into the more recent provisions. Concession holders initially paid extremely low rents and were given generally favorable terms for depreciation as well as a 25 percent depletion allowance. Although by domestic standards the surface and annual rentals are still very low, the depletion allowance will be eliminated from all new concessions. The willingness of the producing and exporting companies now in Libya to give up this depletion allowance in order to enable them to bid for new concessions is a positive indication of the value that these knowledgeable companies place on the relinquished areas. Rentals and fees will be discussed under the section on Libyan Petroleum Law.

PLAINTIFF'S EXHIBIT 204

Aside from foreign exchange earnings and government revenue, the petroleum industry provides a number of other direct and indirect benefits to the Libyan economy. The Ministry of Petroleum Affairs has estimated at the end of 1963 that some 12,600 persons were directly employed in the oil industry of whom about 9000 or 71 percent were Libyans. Many of these Libyan employees have received both technical training and general education from the oil companies. Each of the operating companies in particular has established programs for this purpose as have several industry service firms.

In terms of indirect benefits, commercial and banking activity has noticeably increased as the demands of the oil industry have been reflected in booming real estate operations including construction of hotels, apartments, offices, and warehouse buildings and houses. The local expenditures of the companies also served as a spur to economic activity. Payment to contractors for supplies and service can constitute a major part of these expenditures while some 2000 Americans and a substantial number of Italians, British, French, and Germans, and others in the oil business, provide an important economic resource to their personal service expenditures and income tax payments to the Libyan Government.

On the other side of the coin, the industry by its very presence has inevitably provoked a certain disruption of traditional economic patterns. Agriculture and animal husbandry has been particularly hurt by a shift of laborers to oil camps or to urban employment and fields of activity, such as construction, which have been spurred by petroleum industry needs. Libyan Government concern with the problem is reflected in the development plan which oil revenues will do much to finance by inclusion of measures designed to stimulate agriculture and thereby to increase the attractiveness of employment in that field to Libyan Nationals.

1965a

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION IV NATURAL GAS

A. POLITICAL RAMIFICATIONS

A problem of greatest national concern to Libyans today, or at least to Libyan politicians, centers about the flaring of natural gas from the producing oil fields. The more educated government people understand that "the goose who lays the golden egg must pass a little wind" in the process. However, the average Libyan citizen is constantly excited by Radio Cairo broadcasts and by local newspaper reporting of the same anti-western bent. The young "hotheads", that is, the younger politicians, whose single theme is Pan Arabism playup the wasting of such natural resources and have made a political football of the issue. As a result, a great deal of pressure by even the relatively more conservative Libyan politicians is being put upon the oil operators.

B. PRODUCTION AND AVAILABILITY

As a matter of actual fact, however, the volume of natural gas being flared in Libya in proportion to the oil production is uniquely small. Libyan oil fields have an unusually low gas-oil ratio with a number of the major fields having GOR's of less than 100. Oasis' Dahra field in Concession 32 is the only over-saturated producing oil field in the country and does have an actual gas cap. Dahra is currently producing approximately 140,000 barrels of oil per day and has a producing gas-oil ratio of 1000, from the reservoir, one of two in the field, that is over-saturated. Thus, over 100,000 Mcf of gas is being flared per day from the Dahra production.

Mobil's Hofra field in Concession 11, which is the downdip extension of Dahra, is producing about 70,000 barrels of oil per day. However, because of its downdip position, Mobil is not plagued with gas-oil ratios quite as high, and less than 50,000 Mcf per day are being flared.

Libya's biggest producing field, Zelten, in Concession 6, and owned by Esso-Standard, has a relatively high gas-oil ratio of 760 and with the present daily oil production rate of 460,000 barrels, is flaring approximately 360,000 Mcf of gas per day.

As a generality, all of Libya's other producing oil fields are gas deficient. Esso-Standard has, however, discovered two or possibly three dry gas or gas condensate fields in the northeastern portion of their Concession 6, some 70 miles from the coast at Marsa el-Brega. These, for the present time, are designated as the "H", "O", and "Z" structures and have not yet received field names. No development drilling has been done following their discoveries and Esso has released no information regarding the capabilities and/or potential reserves of these finds.

PLAINTIFF'S EXHIBIT 204

The amount of natural gas now being flared in conjunction with Libyan oil production can be itemized as follows, excluding the gas from the more under-saturated reservoirs:

Zelten field	350,000 Mcf/D
Dahra field	100,000 Mcf/D
Hofra field	50,000 Mcf/D
Total	500,000 Mcf/D.

Although this amount of gas is low in proportion to the nearly 1,000,000 barrels of oil production, it is still a very significant volume when it is realized that by comparison the marketed production of natural gas from the State of California is only slightly over three times this amount.

C. OPERATOR'S PLANS

As a result of the pressure being applied by the Government, Esso-Standard is currently contemplating a methane liquification project, the total cost of which is reported to be in the order of $175,000,000 to $200,000,000. The project would include a liquification plant at Esso's port at Marsa el-Brega; and, a gas pipeline system from the Zelten area with a connecting line to Esso's new gas fields in the northeast portion of Concession 6, receiving terminals and refrigerated tankers. The liquified methane would go primarily to Italy's Poe Valley industrial region to be marketed by E.N.I. (Entre Nazionale Idrocarburi) the huge government owned petroleum and chemical concern. A lesser percentage of about 20 percent would be transported to Barcelona, Spain, to be marketed by Catalana de Gas, a large privately owned Spanish utility.

When questioned as to the availability of any of Esso's present or future gas production, Mr. Robert A. Eeds, President of Esso-Standard Libya indicated that if the methane liquification project is consummated that they will have no excess gas for sale. First methane shipments are scheduled to start in late 1967. It should also be remembered that Esso itself has sited a $26,000,000 fertilizer plant at Malaga, Spain; and, that Esso's partner in Concession 17 and Concession 20 is the W. R. Grace Company, who is of course in the international fertilizer business and having an apparently successful 650 tons per day ammonia plant now on stream in Trinidad, W.I., and plans to double its size in the near future. Apparently none of the Esso gas would be used for ammonia either by itself or Grace, according to Mr. Eeds.

Continental Oil Company, a one-third interest owner of Oasis, who recently got into the fertilizer business through the acquisition of American Agricultural Chemical Company and Mid-South Chemical Company, has tentative plans for a large 400,000 tons per year (1100 tons per day) ammonia plant at the Oasis terminal site of Ras es-Sidr. An ammonia plant of the capacity proposed by Continental would, however, utilize only about an eighth of the present amount of gas being flared by the Oasis group at Dahra alone.

D. OCCIDENTAL'S POSITION

Certainly one of the main levers at Occidental's disposal for the acquisition of concessions in Libya will be a plan to immediately utilize a portion of the flared and wasted gas. A 1000 ton per day anhydrous ammonia plant would require approximately only

35,000 Mcf of gas per day or approximately seven percent of Libya's present gas production. Under Article No. 13 of the Libyan Petroleum Law, the Government has the right on three months' notice to take its royalty share (12-1/2%) of either oil or gas in kind f.o.b. seaboard terminals. Therefore, even if the plans of the present operators are consummated insofar as partial utilization of their flared gas supplies are concerned, the Government could provide Occidental or INTERORE adequate long-term gas supplies at essentially only transportation costs at a seaboard terminal. Pipeline construction costs would be largely carried by Esso and/or Oasis.

A Libyan counterpart of our proposed anhydrous ammonia project in Saudi Arabia would appear to be worthy of serious consideration. Under such a plan, the plant would be financed and owned by the Libyan Government; designed, constructed, and managed by Occidental or INTERORE personnel; and the product supplied to INTERORE at a discount for marketing through its established marketing channels. After payout we would also participate on a net profit basis.

1968a

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION V GEOLOGY

A. INTRODUCTION

Three principal basins with significant petroleum potential exist in Libya, these being the Sirte Basin, Cyrenaica Highlands, and the Western Desert of Tripolitania and Fezzan. Prior to the actual drilling and the resulting successes in the Sirte Basin, both of the other basins were held in higher regard and more actively sought after in the first round of concession bidding.

The Western Desert by virtue of its proximity to the Algerian Sahara and the similarity of section was the first choice of most operators. The objectives were primarily the Paleozoic clastics in which the large Algerian petroleum reserves occur. A great many discoveries, including Esso's "Atshan" #B2-1, Libya's first oil well, have been made in the Western Desert. Gulf Oil has, in fact, made 14 separate new field oil discoveries. These like most in this province produce from Paleozoic sandstone reservoirs. Few of the wells are capable of over 200 to 400 barrels of oil per day and many of the reservoirs appear to be somewhat limited in extent. Individual wells have, however, been tested for over 1000 barrels per day. In time, there will no doubt be a pipeline into the Western Desert area. At that time, many of these now subcommercial discoveries will go on production. There will unquestionably be some major discoveries made in the Western Desert, however, the success ratio, the lack of pipelines, the great distance from the seacoast, logistical problems, all contribute towards making this a less attractive area in which to explore than the Sirte Basin, which has boosted Libya to a position of prominence in the world's petroleum picture.

The Cyrenaica Highland province held considerable initial appeal, not only because of its proximity to the seacoast with the obvious advantages of transportation and logistics, but also because of its relatively more known and understood surface section of Eocene and Upper Cretaceous carbonates, marls, and marine shales. Additionally, many large surface folds and related fault trends gave indication of Middle East size petroleum accumulations.

To date, nothing of real significance has been discovered in Northern Cyrenaica. The favorable Eocene and Paleocene facies so productive in the Sirte Basin are not developed. Great thicknesses of Upper and Lower Cretaceous marine sediments are present as source beds; however, the lack of suitable reservoir rocks is reportedly a basic problem. As with the Western Desert area, the Cyrenaica Highlands will in time prove to be commercially productive, but to explore this area at the present would require a purely wildcat effort in the full sense of the word with the attendant extraordinarily high costs and risks. This province has not received much exploratory effort in recent years even by the operators holding concessions there and should not be considered as a primary area for Occidental's interest at this time.

PLAINTIFF'S EXHIBIT 204

B. SIRTE BASIN

1. General

The Sirte Basin is generally defined as that ancestral southeasterly extension of the Mediterranean Sea from which Cretaceous and Lower Tertiary marine sediments overlap a probably thick wedge of Paleozoic rocks. The Sirte Basin is bounded on the southwest by the outcrop of the Upper Cretaceous marine section onlapping the Lower Cretaceous basal continental sand facies generally referred to as Nubian sandstone. The Nubian sandstone itself rests unconformably on older Mesozoic, Paleozoic, and Pre-Cambrian rocks. To the southeast, the Sirte Basin is limited by the overlap of the transgressive marine Paleocene rocks on marine Paleozoic clastics ranging from Cambro-Ordovician to Carboniferous in age. Underlying the Cretaceous and Tertiary section in the heart of the Sirte Basin is believed to exist a progressively younger section of Paleozoic rocks as the present coastline is approached from the south. In detail, however, the geology of the Sirte Basin is appreciably more complex. Block faulting is prevalent, and in a number of "old high" areas wells have gone from Upper Cretaceous beds directly into Pre-Cambrian granitic basement rocks.

2. Paleozoic Faulting

Two systems of faulting are developed in Syrtica which seems to be a type example of a block faulted basin. The older Paleozoic faulting is on a conjugate system with the principal fault orientation having a North 60 degree to 70 degree East strike with secondary faults striking North 70 degrees to 80 degrees West. The principal Paleozoic faults orientation is parallel to the strike of the Paleozoic sedimentary outcrops delineating the southeastern edge of the more recent Sirte Basin.

The Paleozoic faults along which later movement has also occurred largely controlled the deposition or at least the preservation of the basal clastics and "granite wash" sandstones resting on Pre-Cambrian and occasionally Paleozoic basement. These basal clastics are of a variety of ages including Pre-Cambrian, Paleozoic, and "true Nubian" of Lower Cretaceous age. In general, the higher fault blocks have been stripped and these sands preserved only on the flanks of high structures and in the down-dropped fault blocks. The old faults have thus played an important roll in the localization of such major fields as B. P.-Hunt's huge "C-65" field, Oasis' Calanscio and "P" structure fields in the eastern portion of Concession 59, Mobil's Amal and Rakb fields in Concession 12, and Amoseas' Sabil field on the Amal trend in Concession 51. In western Concession 59, the Samah, Zaggut, and Bel Hedan fields have productive Cambro-Ordovician sands in addition to their younger reservoirs as does the Ora and Raguba fields. B. P.-Hunt's "C-65" multi-billion barrel field has a number of separate fault blocks of the Paleozoic system, each with varying sand thicknesses from 0 to 300 feet and each with its own separate water table.

Later movements along the older faults has in some cases been of the left-lateral strike-dip variety creating drag folds. One such feature is the one and one-half billion barrel Gialo anticline; others include Calanscio and "P-59" fields.

PLAINTIFF'S EXHIBIT 204

3. Mesozoic-Tertiary Faulting and Folding

The younger system of faults which appears to have had its inception during the early Upper Cretaceous time has a general strike of North 20 degrees West becoming more north-south in the southerly portion of the basin. This system of faults more or less delineate the eastern and western edges of the Sirte Basin which itself lies in the intervening graben. The top of the Paleocene beds are 6000 to 10,000 feet lower in the central portion of the basin than on the Cyrenaica and Tripolitania high blocks. That total amount of displacement is of course taken up by a whole series of sub-parallel faults with intervening blocks having graben and horst relationships. Individual wells have cut normal faults with up to 1100 feet of displacement.

The younger fault system which down-dropped the Sirte Basin and allowed the encroachment of the ancestral Mediterranean Sea had continuing movements which profoundly affected all subsequent sedimentation. Faulting contemporaneous with sedimentation occurred from Upper Cretaceous time throughout the Tertiary. Many of the larger faults of this system have visible surface expression. Not all of the faults of the younger system, however, reach the outcrop as recent seismic and subsurface work prove that many basement faults die out upwards with progressively less offset in the younger beds.

Many of the major producing anticlines and anticlinal trends are oriented parallel to tne younger fault system. Included in this category are Mabruk, Dahra-Hofra, Zelten-Jebel-Waha-Defa, and Beda-Samah-Bel Hedan trends. The Amal trend is also parallel to the younger system.

4. Stratigraphy

Geological information is treated most confidentially in Libya and there is very little exchange of data and ideas between operating companies. Any thought of giving trade secrets to outsiders was wholly uncomprehensible to some operators. As a result, each company has developed its own system of stratigraphic nomenclature.

There is now, however, general agreement as to the basic stratigraphic and biostratigraphic relationships despite the varied nomenclature. Up until the past year or so when it was realized that only the bathyal species of foraminifera were diagnostic "time" markers and with sufficient well control available have the Upper Cretaceous, Paleocene, and Eocene sections been really understood. Prior to that time, following the lead of the French, neritic "type-species" were being used as time markers; when in reality, it has turned out that these were largely facies creatures with little age significance. Robertson Research Laboratories of London (now affiliated with Exploration Logging, Inc.) is the principal consulting paleontological firm for Libyan operators. They have been largely responsible for the recognition of the significance and identification of the bathyal foraminifera.

Basically, the Sirte Basin section is as follows, from oldest to youngest: Pre-Cambrian, granitic intrusives into a lesser extent metamorphic and volcanic rock unconformably overlain by clastic Paleozoics of Cambro-Ordovician, Silurian, Devonian,

PLAINTIFF'S EXHIBIT 204

and Carboniferous ages. The older of these rocks are continental, however, moving coastward and up in the section marine facies predominate.

Following the second major hiatus, Triassic and Jurassic rocks were deposited and are presently preserved in the Fezzan and Tripolitania but few in Sirte Basin.

The third major unconformity exists at the base of the Lower Cretaceous, Nubian sandstone. As mentioned earlier, it is now believed by many workers that what has been called Nubian sandstone is actually a continental basal quartzitic sandstone of many ages and thus is a facies rather than time unit.

The fourth major unconformity occurred following the Lower Cretaceous in which the Sirte Basin was downdropped and the Upper Cretaceous Mediterranean Sea transgressed all older rocks in the southeasterly and southerly direction. It should be mentioned that a great deal of secrecy exists regarding the relationship and section of the late Lower Cretaceous and a marine section with source and/or reservoir beds could well exist in the northern portion of the Sirte Basin and offer a major play yet to be explored.

The basal member of the Upper Cretaceous is the transgressive "Bahi" sandstone. This unit is locally productive and offers potential elsewhere in the Basin. Following the deposition of the Bahi sandstone, more or less continuous deposition occurred throughout late Upper Cretaceous, Paleocene, and Eocene time. Rock types tend to be predominantly carbonates and marine shales, although well-developed marine sands and clastic carbonates exist and are productive. It is in this series of rocks that most of Libya's oil reserves occur.

Sedimentation was accompanied by contemporaneous faulting, thus in various blocks deep water organic shales, shelf carbonates, sandstones, and even evaporates were being deposited simultaneously. Rapid facies changes occur as do many minor and intraformational unconformaties. It is, of course, because of these minor hiatuses that so many different potential mechanisms exist for trapping hydrocarbons in the Sirte Basin. The frequency with which major petroleum accumulations are associated with unconformities is again born out in Libya.

Within the aforementioned time span, the principal unconformities occur at the end of the Maestrichtian time following which the Danian shale unconformably was deposited on the Gheriat or Zmam limestone. Another significant but minor unconformity followed the deposition of the Dahra chalk of Lower Paleocene age. The Dahra chalk is locally a prolific reservoir. Facies changes were prevalent during the bulk of Middle and Upper Paleocene time with the Hofra shale being the deeper water equivalent of the productive Mabruk, Zelten, and Beda formations.

The Kheir marl of uppermost Paleocene age, one of the best marker beds in the Sirte Basin, was followed by a prolonged period of evaporite deposition during Lower Eocene throughout much of the basin. Middle and Upper Eocene time again saw carbonate and marl deposition with continental sedimentation on the basin margins.

Unconformities occurred both at the beginning and again at the end of Oligocene time following more richly fossiliferous, porous carbonate, and clastic deposition. The

prolific upper zone reservoir rocks of the Gialo field are of Oligocene age.

Miocene saw the deposition of more richly fossiliferous limestones and related marine shales. These are the outcrop rocks over much of the surface of the Sirte Basin. Oil seeps occur and a number of seismic shot holes have turned out to be flowing low gravity oil wells. Toward the end of Miocene time, the basin shallowed and more continental deposition began, however, Pliocene rocks are also in part of marine origin.

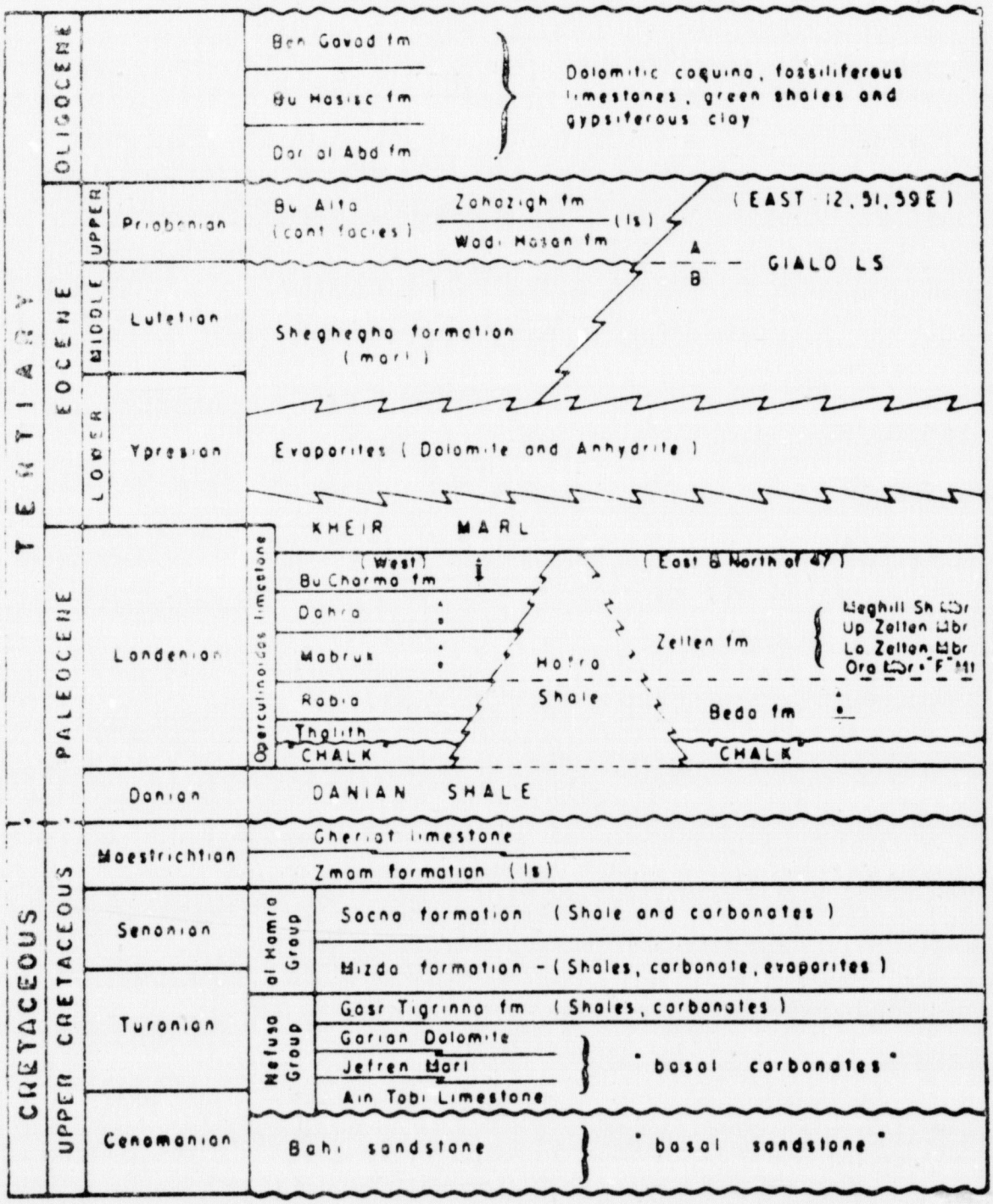
It should be mentioned that although much of Libya production comes from carbonate rocks, no "true" reef production has been established to date. Fragmental fossil and reefoid reservoirs do, however, occur. Several true reefs have been encountered and have thus far yielded only fantastic water flows in the order of 50,000 barrels per day magnitude. Unquestionably reef production will be found in Libya and this offers one of the many remaining targets for explorationists, along with wedge-outs, on-laps, remnants basal sands, deep seated structures, and fault related accumulations.

There follows a generalized composite stratigraphic chart of the Sirte Basin, for the Upper Cretaceous through the Oligocene.

1973a

PLAINTIFF'S EXHIBIT 204

SIRTE BASIN
Composite Stratigraphic Chart



PLAINTIFF'S EXHIBIT 204

C. PROSPECT AREAS

1. Introduction

By virtue of their proximity to producing fields and by regional geology alone, three areas of relinquished acreage appear to be most favorably situated. It is not known at this time how the Libyan Government will define the new concession areas and what their designations will be, so for the purposes of this report, the areas of interest will be arbitrarily assigned letter designations "A", "B", "C".

Mr. James E. Lawler, consulting geophysicist and geologist residing in Rome, has prepared a preliminary report for Occidental's account regarding two of the three areas of immediate interest. Mr. Lawler was formerly manager of Cities Services, Libyan Operations. When Cities Services combined exploratory operations with Sinclair, Mr. Lawler resigned and went into consulting practice. Under an agreement with Cities Services, they allowed him access to all of the photo-geological, well data, gravity, magnetic, and seismic information then available in their files. Lawler has subsequently increased his supply of basic data by continued contact with other geologists and geophysicists employed in Libya. Lawler would appear to have the largest Libya data file outside that of the operating companies. Lawler has been retained on a monthly basis to expand his preliminary reports based on the latest well and geophysical data available to him.

2. Prospect Areas "A" and "B"

As can be seen on the accompanying index map, a number of untested structural highs exist on each of these prospect areas. (It should be noted that this map is based primarily on gravity data and to a lesser extent on swabbed seismic notes and is thus somewhat interpretative.) However, in addition to purely structural possibilities, a great variety of stratigraphic and combination structural-stratigraphic plays exist in these areas.

Area of interest "A" is situated in the same general block as the new Harash field in Concession 59 where two wells have been completed for over 2000 barrels per day each from the Paleocene carbonates above 7500 feet. The large (25 plus square mile) high in east central portion of the "A" area should encounter a similar Paleocene section and be some 1000 feet structurally higher than Harash field. Harash was discovered after the "A" area was relinquished by Oasis in 1961 and now appears to be less well structurally situated than the relinquished area.

Another large untested high situated in the southwestern portion of block "A" on the structurally high block designated the ST horst by Mr. Lawler. Possibilities about this horst will be discussed in the abstract of his report.

A number of untested highs exist in the area of interest "B". Several of these are on trend and in essentially the same major block as the huge Gialo field to the east. It is interesting to note that subsequent to the relinquishment of this area, Oasis and Mobil have each drilled two wells in the immediate proximity of its outer limits.

PLAINTIFF'S EXHIBIT 204

There follows an abstract of Mr. Lawler's preliminary report on Areas "A" and "B" outlined as to stratigraphic objectives.

a) Basal Sands: Although the distribution of the basal sands has proven difficult to project, it does not appear that these would be a primary objective in either the "A" or "B" area, probably due to the lack of adequate shale seal (cap rock). Their potential cannot be ruled out in the proximity of the ST horst however.

b) Upper Cretaceous Cenomanian Sands: These sands which were productive at a number of localities in the Sirte Basin are very well developed and at their maximum thickness at the Q1-59 well and the G1-12 well. Truncations and overlaps of these sands on the ST horst are of particular interest and potential.

c) Upper Cretaceous Companian-Santonian Sands: Purely stratigraphic sand developments within these Upper Cretaceous shales, and, of course, structural traps thereof provide an objective in both areas.

d) Maestrichtian Limestones and Sandy Limestones: Highly porous and permeable clastic limestones are developed in the Maestrichtian near the upper contact at Zelten and other areas. A requirement for production from these carbonates has heretofore been a necessity of having Danian shale cap rock overlying them. In all probability Danian shales will not be present east of the ST horst and the Danian will be represented by shallow water carbonates which will not provide seals for the underlying Maestrichtian, thus, only in the westernmost portion of Area "A" will these units be primary objectives.

e) Paleocene: Paleocene rocks which are the principal producers in the Sirte Basin offer a major objective in both Areas "A" and "B". The so-called Zelten facies of the Paleocene is expected to be present in these areas as a clastic shelf limestone which frequently develops excellent porosity and permeability. The Q1-59 well at Harash encountered highly dolomitic and porous clastic limestone in the Paleocene beneath the Angulata shale and is productive from this member. The Q3-59 well in the same field also produces from a Paleocene limestone immediately below Lower Eocene evaporates. The Paleocene facies, which is one of the productive reservoirs in the Gialo field has been well developed in the G1-12 well to the north and should be present in both areas of interest.

f) Lower Eocene Limestones: At Harash, fossiliferous dolomitic and numnulitic limestones with good oil shows were encountered. As mentioned previously, the "A" area should be at least 1000 feet high to the Harash field.

g) Middle Eocene Limestone: The Middle Eocene biofragmental Gialo "B" limestone which produces at Gialo, Waha, and other areas in Concession 59 has had shows everywhere in the area. The Q1-59 well recovered 29 degree to 30 degree gravity free oil from the Middle Eocene. Both prospect Areas "A" and "B" offer a maximum potential for Middle Eocene production.

h) Upper Eocene Limestone: The reefoid Upper Eocene Gialo "A" limestone was present but nonproductive at the Harash field. This unit pinches out in some manner east of

PLAINTIFF'S EXHIBIT 204

the ST horst with a possibility that a sand facies will be developed in that area. Area "B" appears to be well situated for possible reef production from the Gialo "A" member.

i) Oligocene: At the Gialo field a dolomite and sandstone sequence of Oligocene age is one of the principal reservoirs with thicknesses up to 300 feet. Minor production was established in these rocks and the J2-12 well immediately south of Area "B". At structurally favorable positions in Prospect Area "B", the Oligocene offers primary possibilities. The Oligocene sand was present in the Harash area but too tight to be productive. If this unit cleans up on the highs in Prospect Area "A", it should provide a major objective.

As can be gathered from the foregoing resume of Lawler's preliminary report, Prospect Areas "A" and "B" situated between the multi-billion barrel Zelten and Gialo fields are favorably located to play many of the Sirte Basin's best reservoir rocks. Additional quality seismic work would have to be done in each area before locating any test wells, and dry holes will, of course, be drilled, but it is almost inconceivable that some significant production could not be established on these blocks.

3. Prospect Area "C"

Prospect Area "C" appears to offer an opportunity to offset a discovery and to develop a field of truly major proportions.

In chronological order the history of exploration in this area has been as follows: In July of 1959, Mobil abandoned their A1-12 well at a total depth of 10,146 feet. This well was drilled at the confluence of two major structural trends. It was situated on the western plunge of a major east-west gravity and seismic high, which probably had its beginning in Paleozoic time. This major structural feature is situated along the older system of faulting and is nearly 50 miles in length. The A1-12 well was located on the old feature at the intersection with a younger anticlinal trend whose axis strikes North 20 degrees West. The A1-12 well had no basal sand development and went directly from Upper Cretaceous beds into Pre-Cambrian basement.

In November of 1959, Mobil moved some 22 miles north along the younger structure and discovered the Amal field with the completion of their B1-12 well for 990 barrels a day of 34 gravity API oil from a total depth of 11,290 feet. The reservoir was then named Amal sandstone and is probably of Cambrian age resting directly on the Pre-Cambrian basement and overlain by Cretaceous shales. Outpost drilling has continued at Amal and a productive area over 20 miles in length has been defined.

In October of 1961, Oasis drilled and abandoned two wells located near the northern edge of their Concession 59 on the axis of the older east-west structural trend. These wells, the H1-59 and N1-59 were both in Pre-Cambrian basement at total depths of 8917 and 8801 feet respectively. Both wells were over 1000 feet high to Mobil's A1-12 well and both wells, as in the case of the A1-12, penetrated the "bald-headed" high without encountering a basal Amal sand development. In December of that year, 1959, Oasis had to make their fifth year acreage relinquishment in Concession 59 and dropped this acreage.

PLAINTIFF'S EXHIBIT 204

In April c. 1962, Mobil moved about seven miles southeast of their A1-12 well and made a new field discovery with the D1-12 well completed flowing for 1074 barrels a day of high gravity oil from 9700 feet in the Amal sandstone. The D1-12 well is less than two miles from the concession boundary. Almost simultaneously, Amoseas made a new field discovery with their A1-51 well completed for 430 barrels a day in the Amal sandstone on the north flank of the old east-west high. Thus, there is every indication that the basal sand development will continue around the flanks of the bald-headed high. If such develops, a billion plus barrel field has been discovered with the bulk of it probably situated in the relinquished portion of Concession 59, which I have designated Prospect Area "C".

In addition to the Amal sand play, there also exists a play for Paleocene carbonates and reefing on the flanks of the same old feature whose later movement affected subsequent sedimentation and facies. The Oasis crestal wells had oil shows in a relatively thin Paleocene section and a downdip well encountered reefing.

In the southern portion of the "C" area, there are possibilities of unknown potential relating to the extension of the "P" 59 field easterly into the relinquished acreage. Certainly the controlling old fault bounding the "P" 59 field on the south does extend into the relinquished lands. It should be noted also that the "P" 59 field was discovered two years after the "C" area was relinquished.

The foregoing is not intended as a complete or final geological report of the relinquished areas but is only preliminary in nature and designed to show the potential that exists.

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION VI GEOPHYSICAL EXPLORATION

A. INTRODUCTION

Geophysical techniques have been involved to some extent in every Libyan discovery. The entire Sirte Basin has been covered by a regional reconnaissance gravity survey, and most of the concessions in this basin have been shot to some extent seismically.

Libya is noted for its geophysical problems being plagued by both "multiples" and by "reverberation". Furthermore, terrain problems, which include hard limestone, covered expanses, sand seas, sand dunes, and rocky cliffs and escarpments, have been major factors adding to the expense of obtaining adequate seismic records.

The geophysical contractors freely admit that the quality of the early seismic work in Libya was so poor that some of the major fields have been discovered almost in spite of their efforts rather than because of it, and had it not been of their elephantine size that the initial successes which created the necessary interest in further prospecting would probably not have been made. Because of both terrain, weathering and multiple problems, the early seismic work rarely resulted in usable data below a depth of 3000 feet. Interpretation was furtner complicated by the complexity of Libyan geology what with its rapid facies changes throughout the section and the prevalence of major faults, some of which die out upward in the section. It is only within the last two years with sophisticated equipment that seismic results can be called of good quality. The early discoveries were on structures so damn big they just could not be missed.

B. CONVENTIONAL DYNAMITE SHOOTING

In the past, conventional "split-spread" shooting has been the generally accepted seismic technique in Libya where drilling and terrain problems were not too severe. At the present time, all conventional crews in Libya are also utilizing the "stacking" technique. Stacking has largely eliminated misinterpretations due to multiples. Because of the improved technique, many areas originally shot by conventional split-spread crews have been reshot by stacking crews using magnetic tape recording.

Production rate with conventional split-spread crews utilizing three drills is usually in the order of 12 to 15 profiles per day. Stacking crews utilizing from 3 to 6 drills are yielding approximately 700 to 1000 shots per month or about 8 to 12 profiles per day. Most Libyan shooting is on 200-meter shot point spacing, thus stacking crews will produce about 200 kilometers or 100 to 125 miles per month.

Conventional split-spread shooting with three drills, including camp costs but excluding bits and powder, averages from $40,000 to $60,000 per month.

Today sophisticated stacking crews utilizing magnetic tape equipment with three drills and including camp costs will range from $60,000 to $85,000 per month, excluding

birs and powder. Including birs and powder, total costs will range from $80,000 to $100,000 per month at a maximum, or about $1000 per mile of shooting.

Where drilling and weathering problems are not too severe, the new sophisticated dynamite shooting is generally giving better results than weight dropping techniques at essentially comparable prices.

C. WEIGHT-DROPPING TECHNIQUES

Included generally in the weight-dropping category are the thumping, stomping, Vibroseis and related techniques. Because of the extremely hard drilling conditions in many areas of Libya, these techniques have proven to yield essentially comparable results at somewhat lower costs. Some 40 to 50 percent of all seismic work done in Libya has been of the weight-dropping variety. I saw one V.A.R. (weight-dropping) cross section with excellent quality results all the way to basement at a depth of about 7000 feet. Basement faulting dying out upwards, thinning, and wedge-outs were readily apparent. As with conventional shooting, most weight-dropping crews now also utilize stacking techniques and C.D.P. (common depth point) for quality results.

The cost of a weight-dropping crew recording on magnetic tape with C.D.P. averages about $80,000 per month; this figure includes complete crew and camp facilities, food, transportation, D C-3's, computation and playback, radio transmission, etc. That is, it is a complete turnkey cost and excludes only the operator's own overhead and mine clearance costs.

It should be noted that in the areas that would appear to be most attractive at the present time, mine clearing costs are nominal, however, near the coast, a full mine clearance crew adds an additional $30,000 to $35,000 per month; in the fringe areas bobtail mine crews cost about $5,000 per month. In addition to mine clearance crew costs, the rate of production in mined areas is generally reduced and thus overall costs per mile of seismic line may double.

In regards to computation, it should be noted that the first 100 hours per month are included in turnkey contracts, however, the excess costs of $35.00 per machine hour. Excess computation costs rarely exceed $5,000 per month.

D. GEOPHYSICAL CONTRACTORS

Geophysical activity has declined appreciably since its high in 1960 when 40 crews were active in Libya. The average number of crews during 1963 had declined to 26, and this year the average will be in the order of 17. Up until this year, seven contract geophysical companies had offices and operations in Libya. United Geophysical Company, Western Geophysical Company, have closed their offices in Tripoli and Geophysical-Rogers and Independent Exploration Company have no active crews. Seismograph Service Corporation has only one crew currently active. In addition, there are five company crews still working.

PLAINTIFF'S EXHIBIT 204

The largest geophysical contractor in Libya is Robert H. Ray, Geophysical, Inc. Robert Ray has been active in Libya since 1954. They have done approximately 65 percent of all the contract geophysical work in the country and 45 percent of the total. They offer both conventional dynamite seismic crews and weight-dropping crews. At the present time, they have two dynamite crews active, seven weight-dropping crews, and two gravity crews. The Robert Ray organization has huge warehouses, a repair center, machine and electronic shops, a six unit playback center, a purchasing department, and they are completely outfitted with their own truck fleet, planes, etc. They have, even with the reduced geophysical activity, a very impressive operation and probably can offer the most diversified and the best performance from the standpoint of service.

Geophysical Service International SA (G.S.I.) have the second largest geophysical operation in Libya. At the present time, G.S.I. has two active and one stacked conventional crew and one gravity crew. G.S.I. competitively feels that dynamite shooting has generally yielded better results than the weight-dropping techniques. G.S.I. has done most of the shooting for Oasis on their Concession 59 and claim to have been involved in each of the 16 discoveries on that concession.

From the standpoint of timing, several crews are now available; however, if new crews would have to be imported, it would take two to three months to get clearance and visas from the Libyan Government.

E. GRAVITY

The entire Sirte Basin and a good part of the Western Desert and Cyrenaica Highlands Province have been covered by regional gravity surveys. Gravity has proven to be a most useful tool in defining deep basement structures and the many basement faults which break up the Sirte Basin into a number of distinct blocks.

At the present time, several operators are running gravity crews on a more detailed net, usually at a one to two mile grid in conjunction with new seismic projects. The position and orientation of Libya's faults are proving to be an important factor as these features have controlled sedimentation and facies throughout subsequent periods of deposition.

F. COMMENTS

It is generally agreed by both the geophysical contractors and the operators that either conventional split-spread shooting or conventional weight-dropping would be a waste of money in Libya today. All of the concessions and relinquished areas in the general area of interest have been shot by one or the other of these techniques, and nothing new could be learned by a repetition. However, the new and more sophisticated techniques utilizing magnetic tape and stacking, whether with conventional dynamite crews or with weight-dropping, are enabling a degree of interpretation to be made that was not possible two years ago. Mobil Oil has, in addition, been utilizing one company "digital" crew with excellent results. Inasmuch as the big obvious structures have probably been discovered for the most part, future geophysical surveys should be designed to utilize the more sophisticated modern techniques

PLAINTIFF'S EXHIBIT 204

in order to pick up the smaller and the deep-seated structures and the wedge-outs and zones of thinning over the basement highs that are proving to be the key to the discovery of some of the more recent major fields.

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION VII DRILLING

A. DRILLING CONTRACTORS

There are 15 drilling contractors active in Libya today and a total of 62 drilling rigs, including several workover rigs and Global Marine's offshore CUSS V. The four principal contractors in Libya are International Drilling with 13 rigs, Camdrill International with 11 rigs, Loffland Brothers with 9 rigs, and Santa Fe with 4 rigs.

All sizes of equipment are available in Libya from National T-32's, National 55's, National 80-B's, to National 110's and Ideco Super 7-11's; Loffland has Unit Rigs from U-36 A's to U-1220's. Most rigs are, however, in the National 55 to National 80-B depth range.

The level of drilling activity is off somewhat from six to twelve months ago and as a result, ten of the 62 rigs are now stacked. This has, of course, brought the cost to the operators down and the drilling contractors are beginning to audibly cry. It is expected that drilling activity will remain at about its present level through the next six months and that unless new concessions are granted will fall off markedly by 1966.

B. DRILLING CONDITIONS

1. Lost Circulation

Drilling in North Africa's arid Libyan desert has in fact presented only one serious drilling problem — that being lost circulation. Libyan producing horizons generally lie from 2500 feet to 9500 feet in depth with most fields being in the 4000 to 6000 depth range. Zones of lost circulation are not confined to any particular depth or formation but fortunately do not generally occur above 3000 feet.

Better known means of combatting lost circulation in the United States have not proved satisfactory in Libya. Generally, use of lost circulation materials has proved ineffective. Where U. S. operators sometimes will tolerate lost circulation up to a point and drill ahead, Libyan drillers usually cannot afford such a luxury, due to the sacrifice of precious water needed for drilling fluid. Water for drilling at remote desert locations is obtained from wells drilled near the location to skimpy water sands found at depths of 100 to 300 feet. These shallow sources generally aren't sufficient to provide an overabundance of water. It must be said, however, that there are very few areas where water has to be trucked any distance to the location. Generally, some water supply can be found in the immediate vicinity of the drillsite.

Thus, any lost circulation merely serves to aggravate an already severe water supply problem by draining away the contractor's scant stock. Libyan drillers conventionally drill ahead with mud or salt or brackish water until the circulation is lost or such is threatened. This usually occurs when the operator weights-up the drilling fluid in order to get through

PLAINTIFF'S EXHIBIT 204

one of the numerous deeper, more prolific salt water sands. Porous zones further up the hole, generally in the vicinity of water sands previously drilled, frequently begin to soak up the weightier fluid. A Libyan drilling operation often may encounter three or more such troublesome water stringers in making a mere 1000 feet of hole.

The lost circulation zones are usually porous to honeycomb to actually cavernous limestones in which the drill bit will occasionally drop as much as five feet. Open-hole squeezing has proved a successful combatant of lost circulation, however, when a truly cavernous porous zone is encountered, a cement plant at the site could not solve the problem.

Local lost circulation material is usually one of three substances, dried seaweed, esparto grass, or juniper fibers. Macobar has a crew of some 50 Libyans hacking daily at the brush covered hills in Cyrenaica to obtain the latter commodity.

Air drilling has been attempted on several occasions and proven to be totally unsuccessful because of the many water bearing horizons encountered.

During the past year, a new technique is proving to be quite successful in battling lost circulation. This involves the aeration of either mud or water by huge five-stage air compressors. Air lines are connected to the standpipe and aeration begun. Generally about one cubic foot of air per gallon of water is added to start, then the air to water ratio is stepped up on a trial and error basis until the balance of the air-fluid mix and the annulus is attained sufficient to halt the loss to the thief zone. What actually happens is that the air lightens the weight of the column and the fluid in the annulus. When outward pressure of the fluid column is reduced to a level equal to the natural pressure of the thief zone, the fluid losses to this zone are stopped.

The job becomes complicated when there are several thief zones, and air-mud or air water annulus mix which srops fluid losses to one zone probably will not be in balance for a thief zone elsewhere in the hole. So far, however, aeration has proved the best remedy yet found in this exasperating situation. Other auxiliary means employed with it include the use of jet subs and on a few occasions even application of back pressure.

In areas of heavy development, Libyan operators normally can accurately predict where they will encounter lost circulation and always have compression equipment on the location when it occurs.

As a general rule, the aeration compressors will be in continuous operation at a rig location for from three to four days or more. They are obtained by the contractor on a rental basis. They skip from job to job and generally remain active a high percentage of the time. It is not unusual for compression equipment to return to a location several times before the hole reaches total depth.

Each company has its own particular approach to combating lost circulation. Esso-Standard has a rule of thumb, that if after six open hole squeeze jobs circulation

is not regained, a protective string of pipe is run. On a recent 10,000-foot wildcat drilled by Oasis, 26 open hole squeeze jobs were performed in one 200-foot interval because of lost circulation. Most wells and all wildcats are programmed with large diameter surface casing so that intermediate strings can be run if necessary.

2. Hard Limestone

Inasmuch as the geological section in the Sirte Basin below the Miocene consists primarily of carbonates of some form and related marls and limey shales, zones of hard massive limestone are to be expected. Such sections, of course, slow penetration rate, increase costs, but present no serious technical problems.

3. High Pressures

High pressures are virtually unknown in Libya and in only a few deep tests located in basinal positions have drillers encountered lenticular sands in long shale sections which yielded high pressures. Pan American had one gas blowout from a deep basinal well that blew wild for three months, but that is the only such case.

4. High Temperatures

High bottom hole temperatures are encountered and pose a problem in most deep tests drilled below 10,000 feet. This, of course, makes mud conditioning and control more difficult and expensive and contributes to the marked increase in well cost for tests below that depth.

5. Plastic Shale

Many of the shale and marley shale sections encountered in the Eocene, Paleocene, and Cretaceous portions of the section in the past provided drilling problems for the operators. However, in the last few years these shale sections have been adequately handled with a good low-water loss and inhibited mud of the Unical variety. Most operators now require a water loss in the 2 to 4 cc/30 seconds range after shale sections are encountered. In a few areas deeper wells have encountered a section of what is locally referred to as "plastic shale". Plastic shale can only be controlled by very high mud weights. With the generally low pressure reservoir conditions in Libya and the tendency for lost circulation, a protective casing string is usually required in such conditions.

6. Logistics

Logistics no longer prove to be a major problem in the Sirte Basin area. The principal operators all have permanent camp establishments at a number of locations as do the major drilling contractors and the service companies. Radio communication will start a service company on the road to the desired location in a few hours' time. A great many roads have now been paved and in many areas the hard limestone surface provides excellent natural roads. Only in the sand sea and sand dune areas do severe transportation problems still exist.

PLAINTIFF'S EXHIBIT 204

Service company work is considered to be adequate but not up to United States standards.

C. MUD COMPANIES

The principal drilling mud company in Libya is Macobar. They have achieved this position by building mixing, and blending plants in Libya and thus bring in raw materials with a two percent duty. Finished products carry a 20 percent duty from warehouse stock unless consigned to a specific operator before shipment.

The second largest mud company in Libya is Milwhite. Milwhite's Unical mud has proven to be particularly successful in combating the shale problems, however, the constant battle with the custom people over duties has been a detriment to their operation. To remedy this situation, Milwhite will be constructing a mixing plant in Libya in the very near future. There is a possibility that Baroid may participate in the construction of this plant on an undisclosed basis.

An indication of the overall mud problems and ever present threat of lost circulation can be appreciated by the ratio of bentonite to barite imports into Libya, which are on a five to one ratio on a tonage basis which is just about the reverse of such areas as South Louisiana.

D. DRILLING CONTRACTS

Most field wells are now all drilled on a footage basis as are many of the wildcats where the geological section to be encountered can be reasonably predicted. Footage bids are now about two-thirds of what they were one year ago. Some typical recent contracts for various types of equipment are as follows:

1. National T-45 Rig: 6000-foot hole, footage contract of $7.50 per foot and day work at $2300 per day.

2. National P-55 Rig: 7500-foot hole, footage contract of $8.25 per foot and day work at $2,450 per day.

3. National 80-B Rig: 9000-foot hole, footage contract of $9.50 per foot without bits or $10.25 per foot with bits and day work at $2,600 per day.

4. National 80-B Rig: 9500-foot hole, all day work at $2,900 per day.

5. National 55 Rig: Incentive type contract of $2.50 per foot plus $3,750 per day, this figure includes water, fuel, bits, custom fees and permits, camp facilities, and catering for the entire camp.

PLAINTIFF'S EXHIBIT 204

E. CASING PROGRAMS

Some typical casing programs used in the Sirte Basin province are as follows:

1. Zelten Area (extension discovery)

Well: Esso-Standard #HH-1-6

0-69':	18-5/8" casing
0-2670':	13-3/8" casing
0-8082':	7" casing
7909-8437':	4-1/2" liner.

2. Jebel Area (extension discovery)

Well: Esso #DD-1-6

0-35':	18-3/4" casing
0-2369':	13-3/8" casing
0-7835':	7" casing.

3. Dahra Field

Well: Oasis #B-68-32

0-867':	10-3/4" casing
0-3736':	7" casing.

4. Gialo Field

Well: Oasis #E-60-59

0-670':	10-3/4" casing
0-3270':	7" casing.

5. Calanscio Field

Well: Oasis #III-1-59

0-3009':	13-3/8" casing
0-9368':	9-5/8" casing, total depth below 10,000'.

6. Wildcat Discovery

Well: Mobil #AA-1-11

0-304':	20" casing
0-3247':	13-3/8" casing
0-6242':	9-5/8" casing
0-9294':	7" casing.

PLAINTIFF'S EXHIBIT 204

F. TOTAL WELL COSTS

Total well costs vary tremendously from area to area, of course, depending not only on depth but also on the amount of lost circulation encountered, the thickness of hard limestone, logistical problems, the move-distance, proximity to camps, etc. The effect of logistics can be shown in the example, whereby a 10,000-foot wildcat might average $500,000. However, in the event of a discovery in the establishment of a permanent camp, development wells in the same field may run about $300,000 completed.

As mentioned in the preceding parts of this section, well costs increase markedly below 10,000 feet as high temperatures and plastic shale conditions are encountered on top of the ubiquitous lost circulation problems.

Some examples of field well total costs are as follows for wells completed usually with 7" casing and 3-1/2" tubing.

1. Amoseas, Oper.: Beda Field, Concession #47
   Average Depth: 4000 feet
   Average Cost: $100,000 (includes acidizing).

2. Amoseas, Oper.: Deep Wildcat, Concession #51
   Depth: 10,000 feet. Plugged and abandoned.
   Total Cost: $500,000.

3. Oasis, Oper.: Gialo Field, Concession #59
   Average Depth: 2800 feet
   Average Cost: $85,000 (without Reda pumps).

4. Oasis, Oper.: Dahra Field, Concession #32
   Average Depth: 4000 feet
   Average Cost: $135,000.

5. Oasis, Oper.: Waha-Defa Fields, Concession #59
   Average Depth: 6625 feet
   Average Cost: $185,000.

6. Oasis, Oper.: Samah Field, Concession #59
   Average Depth: 6600 feet
   Average Cost: $280,000.

7. Esso-Standard, Oper.: Zelten Field, Concession #6
   Average Depth: 5800 feet
   Average Cost: $285,000 (includes $60,000 lead line).

8. Esso-Standard, Oper.: Deep Wildcats, Concession #6
   Depth Range: 10,000 feet to 12,000 feet
   Cost Range: $500,000 to $1,500,000.

PLAINTIFF'S EXHIBIT 204

( )

LIBYA REPORT

SECTION VIII SIRTE BASIN FIELD DATA

FIELD (*Major Field)	DISCOVERY DATA WELL NO.	DATE	T.D.	I.P.	ZONES (*Main Zone)	REMARKS
Concession #6 (Esso-Standard Libya)						
Zelten*	C1-6	6-13-59	5,676'	17,500 B/D	Paleocene ls* & U Cret ls	Giant Field -- 1 to 5 billion barrels reserves, Production: 480,000 BO/D, 350,000 Mcf/D from 48 producing wells; 37°-40°, GOR: 750; water drive reservoir; water injection in progres
Jebel*	P1-6	8-30-62	8,389'	2,500 B/D	U Cret ls	Large Field -- Still being developed. Will go on production in early 1965, 10 productive well low GOR.
"H" Area	H1-6	12-31-60	10,284'	Gas		Gas Discovery -- No date available, no develo ment to date.
"O" Area	O1-6	9- 7-62	12,051'	Gas		Gas Discovery -- No date available, no develo ment to date.
"Z" Area	Z1-6	- -64	(12,846')	Gas		Gas Discovery -- No date available, no develo ment to date.
"J" Area	J2-6	- -64				Oil Discovery -- No date available, no de ment to date.
"DD" Area	DD1-6	9-10-64				Oil Discovery -- No date available, no dev ment to date.
"HH" Area	HH1-6	10- 8-64	6,140'	2,000 B/D		Oil Discovery -- No date available, no dev ment to date.
Concession #11 (Mobil Oil Libya)						
Hofra*	A1-11	8- 3-58	8,686'	3,000 B/D	Paleocene ls	Major Field -- Downdip end of Dahra anticline, Production: 70,000 B/D, 50,000 Mcf/D from 35 producing wells; 34°-38°; GOR: 700; Gas ca expansion drive.

PLAINTIFF'S EXHIBIT 204

FIELD (*Major Field)	WELL NO.	DISCOVERY DATA DATE	T.D.	I.P.	ZONES (*Main Zone)	REMARKS
"L-O" Area	L1-11	2-19-63	10,435'	725 B/D	Lower Eocene	Small Field Indicated -- 4 productive wells; No plans for further exploitation.
"AA" Area	AA1-11	- -64	(10,338')			Oil Discovery -- No data available, no development to date.
"GG" Area	GG1-11	- -64				Oil Discovery -- No data available, no development to date.
"JJ" Area	JJ1-11	11- 8-64	4,432'	216 B/D		Oil Discovery -- No data available, no development to date.
Concession #12 (Mobil Oil Libya)						
Arrat*	B1-12	11- 1-59	11,290'	990 B/D	Cambrian (?) basal ss	Major Field Indicated -- 12 productive wells with IP's average 1,000 B/D; will probably tie into pipeline system in 1965 or 1966.
Rhab	D1-12	4-18-62	9,700'	1,074 B/D	Cambrian (?) basal ss	Oil Discovery -- appears to be significant discovery. Development delayed until new concessions are granted because of proximity.
Concession #13 (Mobil Oil Libya)						
Ora*	11-13	7-30-62	8,475'	760 B/D	U Cret 2s* & Camb-Ord ss	Large Field -- 10 wells completed. Will go on production in early 1965. Still drilling.
"O" Area	01-13	- -64				Oil Discovery -- No data available, no development to date.
Concession #17 (Esso Sirte)						
Mabruk	A1-17	7-31-59	5,800'	600 B/D	Danian	Extensive area proven productive by 12 wells. Considerable oil in place, however, lack of gas and low reservoir pressure have precluded further development. Space purchased in Ras es-Sidr pipeline for eventual use.

1990a

PLAINTIFF'S EXHIBIT 204

FIELD (*Major Field)	DISCOVERY DATA WELL NO.	DATE	T.D.	I.P.	ZONES (*Main Zone)	REMARKS
Concession #20 (Esso Sirte)						
Raguba*	E1-20	1- 4-61	5,563'	3,000 B/D	U Cret ls* & Camb-Ord ss	Major Field -- Production: 80,000 B/D, 40,000 Mcf/D from 35 wells; 40°; GOR 500.
Concession #32 (Oasis)						
Bahi	A1-32	3-28-58	6,100'	500 B/D	Basal U Cret "Bahi" sd	Non-commercial one well field -- 4 dry holes
Dahra*	B1-32	11-29-58	4,940'	500 B/D	Paleocene* ls & Danian ls	Giant Field -- Production: 140,000 B/D, 100,000 Mcf/D from 1,000 wells; gas cap drive in Paleocene; GOR 1,000.
Concession #47 (Amoseas)						
Beda*	B1-47	9-26-59	5,108'	3,650 B/D	Paleocene ls	Large Field -- Production: 20,000 B/D, 2,000 Mcf/D from 25 wells all on pump. Anticlin
Babiba	K1a-47	4- 2-62	5,994'	342 B/D	Paleocene ls	Small Field Indicated.
Kotla	C2-47	7- 8-63	5,469'	850 B/D	U Cret	Oil discovery which, together with "P"-47 Area, looks like a fairly good field.
Concession #51 (Amoseas)						
Sabil	A1-51	4- 3-62	11,042'	430 B/D	Cambrian (?) "basal sd"	Oil discovery on north flank of Paleozoic high. Development delayed until new concessions are granted.
Concession #59 (Oasis)						
Waha*	A2-59	11-25-60	6,868'	4,440 B/D	U Eocene & U Cret	Giant Field -- Production: Over 100,000 B/D from 75 wells, still being developed; low GOR.
Defa*	B1-59	2-14-60	6,263'	1,584 B/D	Paleocene	Large Field -- Production: Over 20,000 B/D from 10 wells, still being developed; low GOR.

1991a

PLAINTIFF'S EXHIBIT 204

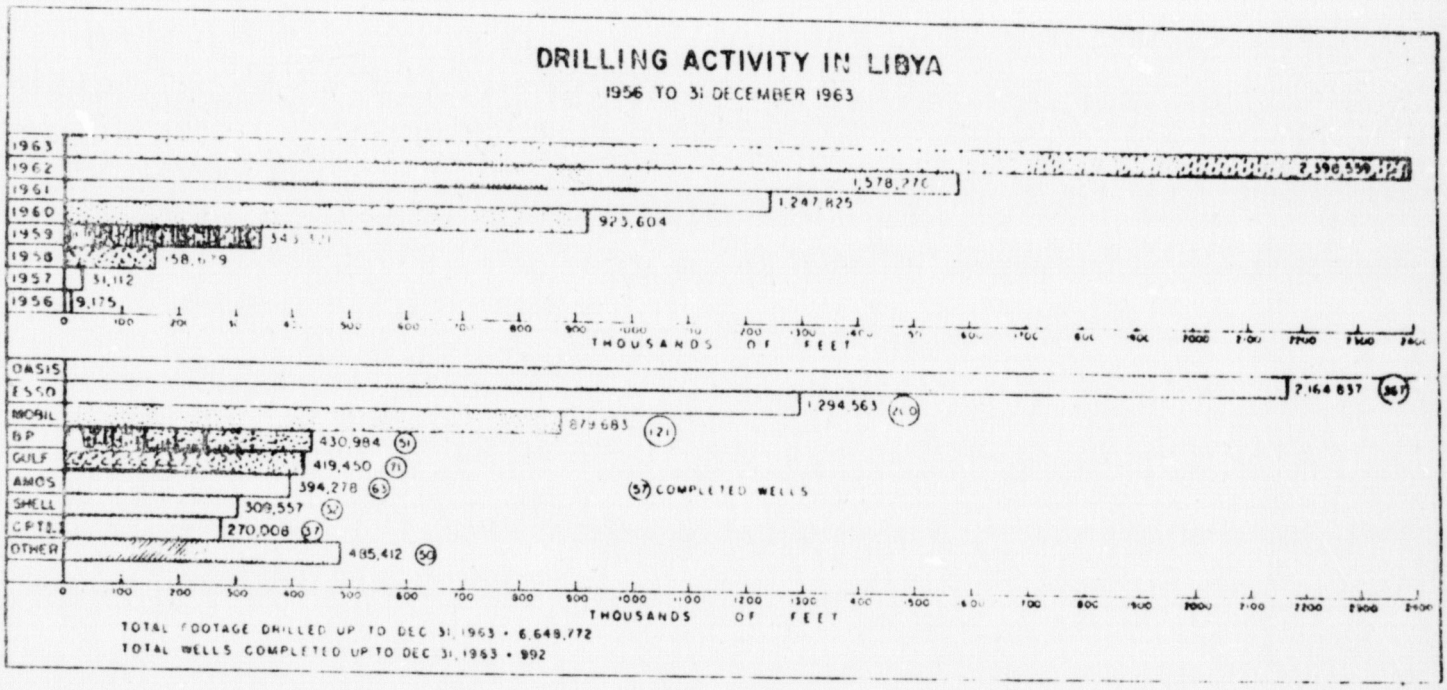
FIELD (*Major Field)	DISCOVERY DATA WELL NO.	DATE	T.D.	I.P.	ZONES (*Main Zone)	REMARKS
Giola*	E1-59	8-12-61	10,287'	1,188 B/D	Oligocene U Eocene, Paleocene	Giant Field -- Will go on production at 150,000 B/D from 70 wells. Most development in upper zones. No gas.
Khalifa	F1-59	8- 1-61	7,650'	1,190 B/D	U Cret	Non commercial field -- 2 completions and 5 dry holes.
"P"	P1-59	12-14-61	6,286'	430 B/D	U Eocene (?)	Complex field along E-W fault, still evaluating.
Harash	Q1-59	4- 2-62	12,315'	2,009 B/D	Paleocene	Small field apparently, but individual wells highly productive -- 2 zones.
Samah*	L1-59	8-12-62	6,760'	1,866 B/D	U Cret & Camb-Ord	Major Field -- Over a dozen producing wells.
Zaggut	M1-59	1- 3-62	8,685'	1,200 B/D	Paleocene, Camb-Ord	Large Field -- 12 producing wells.
"J"	J2-59	10-12-62	3,702'	240 B/D	U Eocene	Small shallow discovery -- no follow-up drilling.
Bel Hedan	V1-59	2-31-62	9,292'	1,224 B/D	U Cret & Camb-Ord	Large field indicated -- still being developed -- 10 productive wells.
"Y"	Y1-59	12-10-62	11,790'	570 B/D	Danian	Only follow-up well was a dry hole.
"AA"	AA1-59	12-11-62	8,621'	768 B/D	Danian	Only follow-up well was a dry hole.
Calanscio (East)	BB1-59	9-21-63	10,421'	Gas	Paleozoic ss)	Interesting discovery along E-W fault zone.
Calanscio (W. ..t)	EE1-59	6-11-63	10,022'	1,812 B/D	Paleocene &) Paleozoic ss)	Gas condensate. Appears to have good potential. Still evaluating.
"RR"	RR1-59	11- 6-63	7,250'	2,743 B/D	Danian & U Cret	Oil discovery -- no data -- no development
Balat	VV1-59	- -64				Oil discovery in Samah area. No details.
Concession #65 (British Petroleum-N. B. Hunt)						
"C" Field	C1-65	11-28-61	9,132'	3,910 B/D	Paleozoic (?) basal ss	Giant Field -- 6 to 10 billion barrels. Numerous fault blocks with separate water tables. Production from basal sandstones and conglomerates with various permeability and porosity. 35 productive wells. Still being developed. Will go on production in 1966.

PLAINTIFF'S EXHIBIT 204

FIELD (*Major Field)	DISCOVERY DATA WELL NO.	DATE	T.D.	I.P.	ZONES (*Main Zone)	REMARKS
Concession #82 (C.O.R.I.)						
"B" Area	B1-82	5-24-62	12,923'	345 B/D	Paleozoic (?) basal ss	Non-commercial discovery -- followed by 5 dry holes.

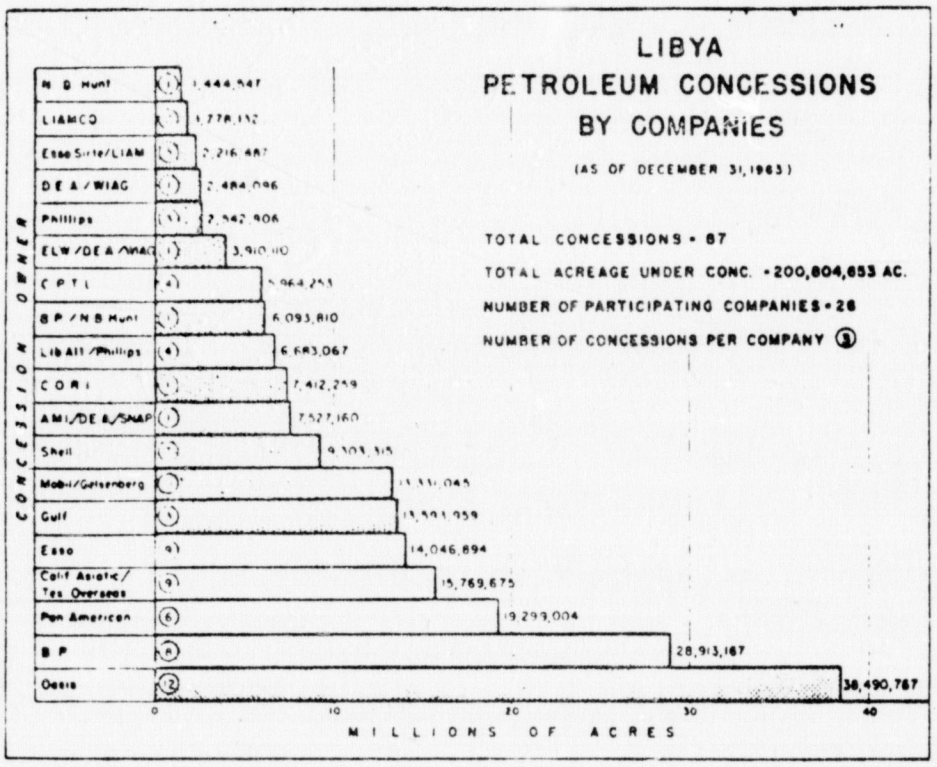
1993a

PLAINTIFF'S EXHIBIT 204

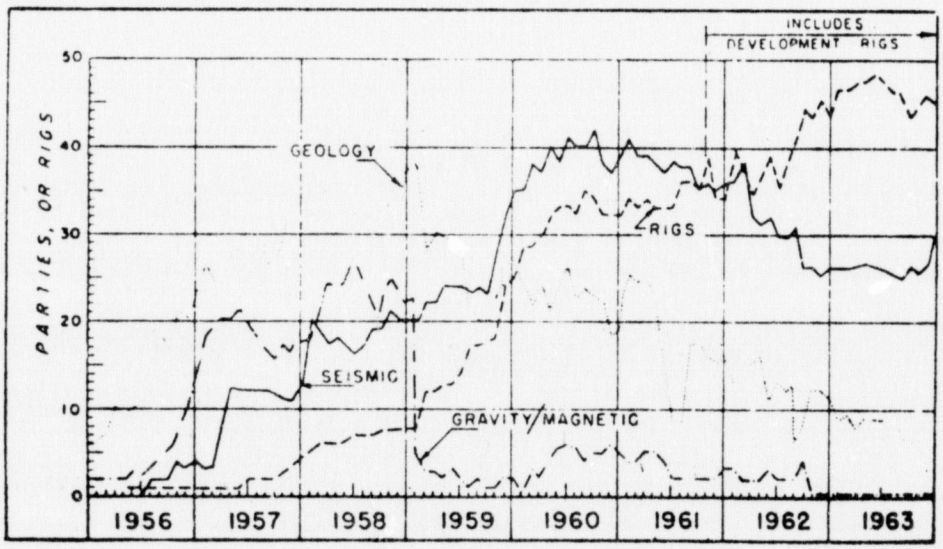


1994a

PLAINTIFF'S EXHIBIT 204



—Libya—petroleum concessions by companies.



—Libya—industry exploration activity; party-months or rig-months.

LIBYA REPORT PLAINTIFF'S EXHIBIT 204

SECTION IX RESUME OF THE LIBYAN PETROLEUM LAW OF 1955 AND REGULATIONS ISSUED THEREUNDER AS REVISED

Articles 1 through 4, Title and Definitions:

Decrees that all petroleum is the property of the state; establishes a Petroleum Commission; defines Petroleum Zones I through IV; and Boundaries.

Article 5; Eligibility:

Sets forth eligibility for concession applicants requiring that the granting of a concession would be in "public interest" and that applicant be experienced and have financial and technical ability to conduct contemplated operations.

Article 6; Permits:

Deals with "Exploration Permits" which allow only surface geological, gravity, and magnetometer investigations but disallows seismic work, coreholing, or actual drilling.

Articles 7 and 8; Applications:

Regarding notice of bidding for concessions and form of application.

Article 9; Grant of Concessions:

a) Agreement to abstain from all political activities in Libya.
b) Performance Bond of ŁL50,000 (approximately $143,350) for life of concession.
c) Terms of concessions — maximum of 60 years.
d) Number of concessions for any one applicant limited to three each in Zones I and II and four each in Zones III and IV.
e) Size of Concessions limited to 30,000 square kilometers (approximately 11,600 square miles) in Zones I and II and 80,000 square kilometers (approximately 31,000 square miles) in Zones III and IV.
f) If surface ownership exists (a rare occurrence) the concession holder has right of eminent domain for equitable reimbursement.

Article 10; Surrender:

a) Within five years concession must be reduced to 75 percent of original size.
b) Within eight years concession must be reduced to 50 percent of original size.
c) Within ten years concession must be reduced to 33-1/3 percent of original size in Zones I and II and 25 percent in Zones III and IV.
d) On three months' notice all or any part of a concession may be surrendered.
e) Surrendered portions to be compact allowing, however, for configuration of productive limits and/or geological features.

PLAINTIFF'S EXHIBIT 204

Article 11; Working Obligations:

a) Within eight months of a concession grant the operator must commence on-site exploratory operations, i.e. mapping, seismic surveys, coreholes, etc.

b) Zones I and II, average annual rate of expenditure required:
First five years: ₺L1.5 per square kilometer (approximately $17.00 per square mile).
Next three years: ₺L3.5 per square kilometer (approximately $39.50 per square mile).
Each five year period thereafter: ₺L6 per square kilometer (approximately $68.00 per square mile).
Example: During first five years in Zones I and II a concession of 25 by 40 miles (1000 square miles) would require an average annual expenditure of only $17,000 — insignificant in an overall operation.

c) Zones III and IV: The rates are the same as in Zones I and II but the time periods are eight years, four years, and each five-year period thereafter.

Article 12; Pipeline Facilities:

Says in effect that any concession holder having pipeline capacity in excess of his own requirements must make same available to other producers on a "space-available" pro rata cost basis, however, the producer requesting usage would have to bear the expense thereof. The pipeline owner has to give one years' notice if at some future time he requires the additional capacity for his own production.

Article 13; Fees, Rents, and Royalties:

a) Initial fee of ₺L100 per square kilometer ($11.30 per square mile equals $1.77 per acre), e.g.: 1000 square mile concession, the initial fee would be $11,300.

b) Annual rental, Zones I and II:
First eight years: ₺L10 per 100 square kilometer ($0.177 per acre).
Next seven years: ₺L20 per square kilometer ($0.345 per acre).
If during first 15 years commercial production is established, rent goes to ₺L2,500 per 100 square kilometers ($0.442 per acre).

c) Annual rental, Zones III and IV:
First eight years: ₺L5 per 100 square kilometer.
Next seven years: ₺L10 per 100 square kilometer.

d) Annual rental, all zones:
15 to 20th year: ₺L3,500 per 100 square kilometer.
20 to 60th year: ₺L5,000 per 100 square kilometer.

e) Royalty: Basic one-eighth (12-1/2%) for oil and natural gasoline after excluding that used in operations. Value of crude based on "posted price" of the seller on the day of shipment. Allows for discounting if world marketing conditions show "shaving" was required. For natural gas, the royalty is 12-1/2 percent of sale price less cost of transport to buyer if seller pays pipeline charges. The Government has right on three months' notice to take royalty production in kind f.o.b. seaboard terminal. Sums paid in royalty may be reduced by the amount paid as rental on an annual basis.

PLAINTIFF'S EXHIBIT 204

Article 14; Taxation and Division of Profits:

This article is the heart of the Petroleum Law and provides that the Government shall have 50 percent of the operators' profits and that if the sum of his fees, rents, royalties, and other direct taxes do not total 50 percent of profits, that a surtax for the difference will be applied on an annualized basis.

In figuring profits, the operator may take all of the deductions common to the industry into account and expense these items: i.e., intangible drilling costs including nonrecoverable casing for dryholes, geological and geophysical surveys, actual operating costs and overhead, costs of training programs for Libyan employees, transportation costs, employee housing, services, etc.

Depreciation of physical assets in Libya can be based on a rate of ten percent per annum and amortization on other capital expenditures at five percent per annum until written off.

Note: The operator has the option to capitalize exploration costs but if that election is made, it is irrevocable and is final and binding for the life of the concession.

Article 15; Payments:

All fees, rentals, royalties, surtaxes, etc., payable to Petroleum Commission.

Article 16; Duties:

All necessary petroleum industry tools, equipment, supplies, etc., not available in Libya may be excluded from import and export duties.

Article 17; Assignments:

"Permits and concessions shall not be assigned except with the written consent of the Commission which may impose any conditions which it may deem appropriate in the public interest."

Articles 18, 19, 20, and 21:

Re: Revocation, publications, arbitration, and force majeure and right to refine in Libya.

Article 22; Penalties:

Typical except for the fact the Petroleum Commission has the right to examine all or any material, records, books, maps, etc., at anytime they so choose.

Articles 23, 24, and 25:

Definitions, regulations, and titles.

PLAINTIFF'S EXHIBIT 204

LIBYA REPORT

SECTION X MISCELLANEOUS

A. TRANSPORTATION

Tripoli, Libya, which boasts a good deep water harbor, is becoming an increasingly important port of commerce. Ten to twenty freight and cargo vessels are in the harbor at most times. New harbor facilities are being constructed and the level of trade will undoubtedly increase in accord with the rising petroleum revenues. Large marine crude oil loading facilities at Marsa el-Brega, Ras es-Sidr, and Ras Lanuf were discussed in a prior section.

Tripoli is also becoming a secondary crossroads for international air carriers and is served by daily jet flights of Alitalia and British European Airlines. Other scheduled airlines serving Tripoli include TWA, Lufthansa, KLM, Sabena, and the various national Arab airlines.

The highway network in Libya is expanding. In addition to the coastal highway constructed by the Italians which runs from the Tunisian border to the Egyptian border and the old highway into the Fezzan, several new highways into the Sirte Basin from the coast have been constructed. A network of graded and improved, and in some cases, paved roads throughout the "oil country" connect the centers of exploration and development activity and parallel the pipelines.

B. OFFICE AND HOUSING AVAILABILITY, ETC.

Good office space, although available, is somewhat scarce. The older buildings are generally unsatisfactory by modern standards for efficiency and comfort. A number of new office buildings have been constructed and many more are under construction. Rates in the new buildings average from a pound to a pound and one-half per square meter per month or about $3.00 to $4.00 per square yard. A small 15 foot by 45 foot office in the Cotts Hotel, a recently constructed five-story office building, rents at $280.00 per month, which figure includes heating and air conditioning but not lighting or telephone.

Office equipment, business machines, and office furniture are all available in Tripoli at costs about 20 to 50 percent in excess of what comparable equipment would cost in the United States.

Good housing is available in Tripoli. New multi-story apartments are being constructed in the city and limestone block houses in the suburban area west of town where most of the American families live. Rents are high, but the facilities are adequate. A four bedroom home will rent from £L75 to £L125 per month, that is approximately $300.00 per month unfurnished. New air-conditioned apartments average about £L70 per month ($200.00) unfurnished.

Modern European furniture and American made appliances are now available in Tripoli but again are expensive.

PLAINTIFF'S EXHIBIT 204

Most European makes of automobiles are also available in Tripoli. These are largely of the compact, low compression variety as most gasoline stations feature only the regular grade product.

Insofar as items of food are concerned, canned goods and fresh fruits are readily available. Feed-lot beef and fresh vegetables are, however, priced as luxury items and local beef leaves quite a lot to be desired.

PLAINTIFF'S EXHIBIT 205.

Pl. C

T 205



MONEY, MONEY, MONEY

PLAINTIFF'S EXHIBIT 205

MONEY

Wall Street in Words and Pictures

Ralph G. Martin &
Morton D. Stone

RAND McNALLY & COMPANY Chicago · New York · San Francisco

2002a

PLAINTIFF'S EXHIBIT 205

Copyright © 1960 By Ralph G. Martin and Morton D. Stone
Copyright 1960 under International Copyright Union
by Ralph G. Martin and Morton D. Stone
First Printing, October, 1960
Library of Congress Catalog Card Number: 60: 15590
Printed in the United States of America by Rand McNally & Company

PLAINTIFF'S EXHIBIT 205

For my dear sister Naomi, and for my father—both of whom deserve more than a million dollars.

R. G. M.

For E. M.

M. D. S.

PLAINTIFF'S EXHIBIT 205

PICTURE CREDITS

AMERICAN STOCK EXCHANGE:	54
BLACKER-AMSTER:	138-39
JERRY COOKE:	22, 23 (top L, bot. L), 26 (top, 2nd from top), 28, 35, 46 (top R), 47, 48-50
ELLIOTT ERWITT—MAGNUM:	12-13, 18, 52-53, 132-33, 144-57, 159-61, 197
SAM FALK—THE NEW YORK TIMES:	94-95, 140-41
DICK HANLEY:	19, 66-93, 120-31, 134-37, 162-63, 166-68, 170-72, 174-77, 222
LESTER MARKEL:	196
ROBERT M. MOTTAR:	198-217
MARVIN NEWMAN:	21, 23 (top R), 26 (center L, center R, bot.), 27, 29-34, 36-45, 46 (top L, bot. L), 64-65, 96-119, 142-43, 158, 178-95, 223
PIX INC.:	20, 51
ARTHUR SHAY:	218-21
THE NEW YORK TIMES:	24-25, 55, 58 (bot. L, bot. R), 59 (bot. R), 169, 173
ROBERT WALKER—THE NEW YORK TIMES:	164-65
TOMMY WEBER:	56-57, 58, 59, 60-63

ACKNOWLEDGMENTS

First and foremost, our special and deep appreciation to Leonard P. Leone who laid out and designed this book.

We are also particularly grateful to La Rue Applegate, Paul Kolton, Robert Deindorfer, Robert Hall and Henry Gellermann, Marjorie Meares, Ralph Cayton, Murray Lavin, Mary Cullen, Paul Stouffer, N. B. Gerber, Morton Yarmon and John Morris for their consideration and co-operation.

We are similarly appreciative of the help given by Cornelia Collins, John Sheehan and George Kerrigon, Anna Merjos and Jane Milk, Milton Fox-Martin, Peter A. H. Voorhis and Ross Muir, Gideon de Margitay, Carl Glick and Christopher Jerrould.

Our private thanks for the overseeing wisdom of Cynthia Smith.

R. G. M.
M. D. S.

PLAINTIFF'S EXHIBIT 205

CONTENTS

Introduction	14
THE BIG BOARD	20
THE AMERICAN EXCHANGE	54
WE THE PEOPLE	66
THE STAMP OF QUALITY	96
MUTUALS FOR WHOM?	120
THE CALCULATED RISK	134
MILLIONAIRES' MONEY MANAGER	144
HUBS WITHIN WHEELS	160
ALLEN: MONEY BUILDERS	180
THE BANKERS' BANK	198
PEOPLE'S CAPITALISM	218

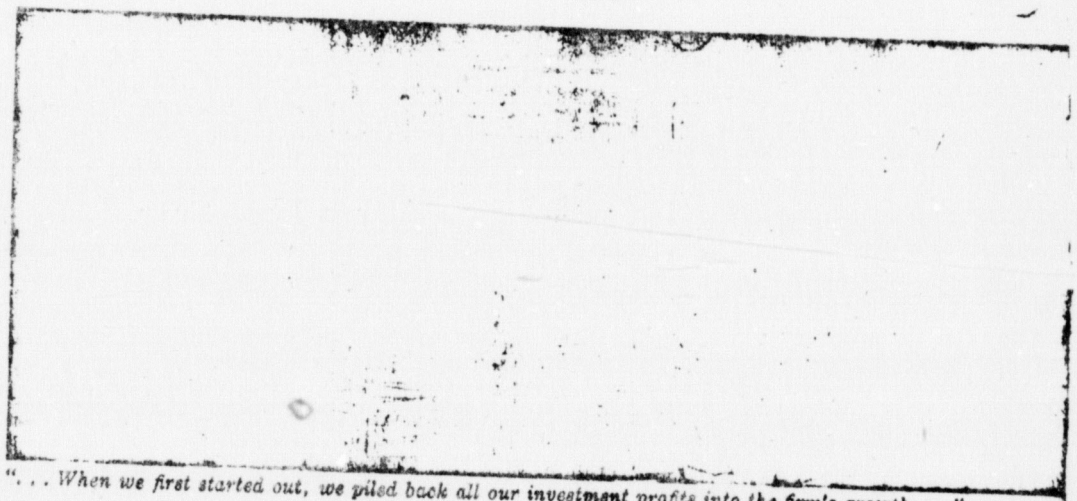
PLAINTIFF'S EXHIBIT 205

MONEY, MONEY, MONEY

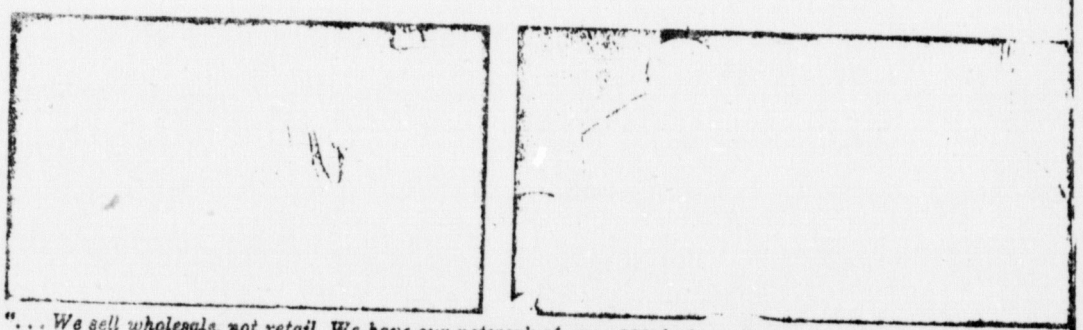
PLAINTIFF'S EXHIBIT 205

/

ALLEN: MONEY BUILDERS



". . . When we first started out, we piled back all our investment profits into the firm's growth. . . ."



". . . We sell wholesale, not retail. We have our network of some 500 dealers all over the country. . . ."

There are three Allens, three partners: Charles, Herbert, and Harold. Charles was a Wall Street runner who founded his own firm at nineteen, made a million dollars and lost it before he was twenty-six, then never again lost what his competitor's call "the Allen feel."

"The Allen feel" is the feel of a directing genius who takes several minutes to case and comprehend a project and then snap a decision (all of which other companies might deliberate and discuss for weeks). It's this feel that has pulled Allen & Co. into a variety of investment deals from which most Street bankers have kept clear.

Charles Allen parcels much of the firm's credit to brothers Herbert and Harold. Herbert acts often as an alter ego for brother Charles on decisions, serves on many company boards, has brought in a number of international companies for which Allen acts as financial adviser, has bought a number of companies for the Allen account, has helped arrange large privately made loans for some of the biggest firms.

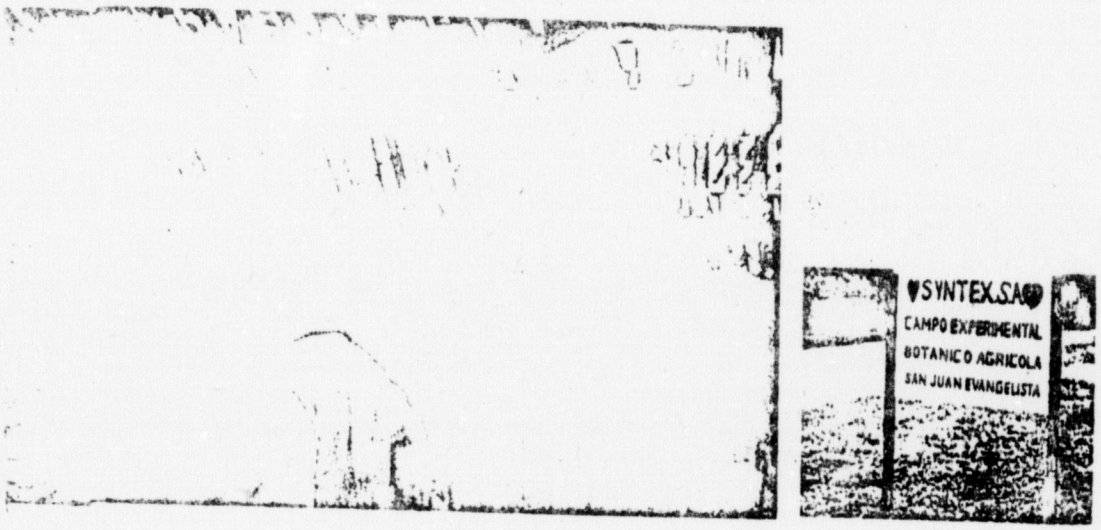
Harold's concentration is the insurance companies—organization, reorganization, merging. It's a special level of high finance for a specially trained mind. Harold now advises six insurance companies with total assets of $90,000,000, helped pioneer the one-stop insurance company—complete insurance service from a single company. Allen created the first insurance stock market.

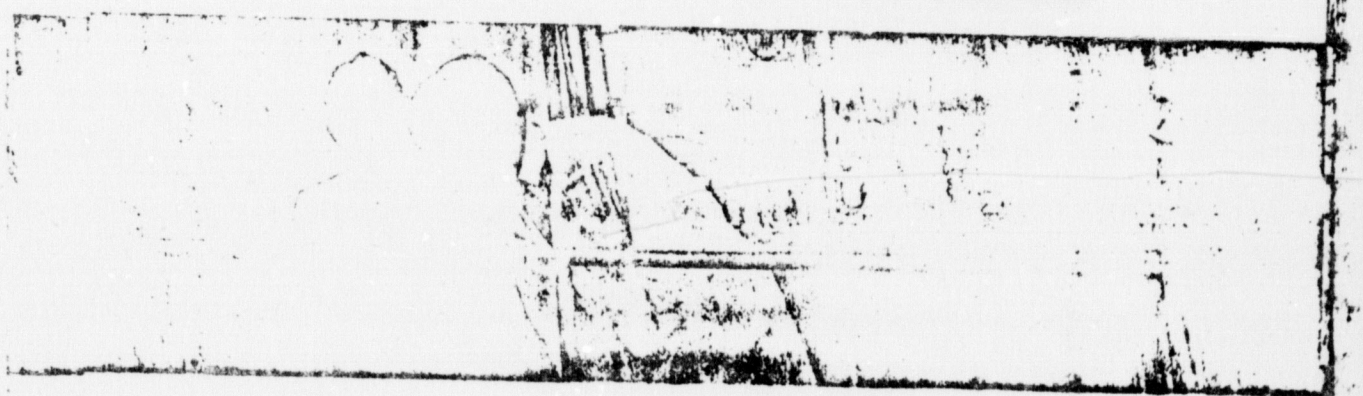
PLAINTIFF'S EXHIBIT 205

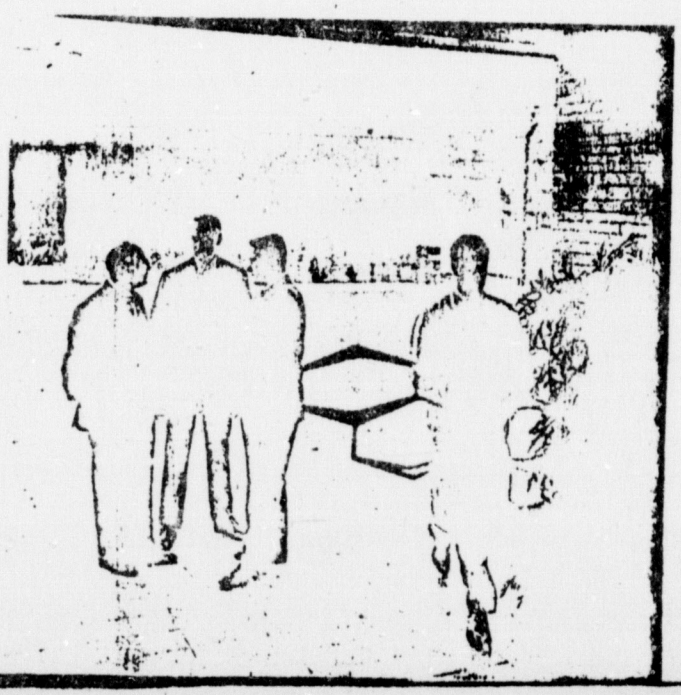


". . . We put out an issue of $2,500,000 in Syntex stock; now it's worth $50,000,000. And we plow back profits. . . ."

PLAINTIFF'S EXHIBIT 205







"... From now on, we'll produce more of our own packaged drug products. And what's more, we've got them."

PLAINTIFF'S EXHIBIT 205

■ And what does Allen & Co. have to do with the typical investor?

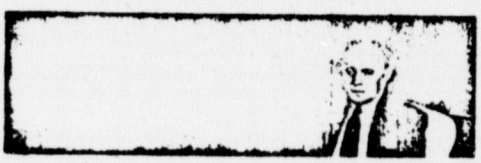
Not very much. This is a wholesale money house working with dealers who then work with the public. Allen keeps quietly in the background. Of the thousands of financial deals offered them every year, Allen might pick sixty. Before they get into anything, they know their "friends"—banks, insurance companies, millionaires, are waiting in line, cash in hand, to fight to get a piece of anything offered. In the Allen book is a list of 200 such investors who will almost blindly accept any part of any Allen deal.

"But if it's one of our own," said Murray Lavin, Allen General Manager, who has been with Charlie Allen forty-one years and who always gets the first, full fill-in of everything that's going on, "we will always keep a minimum 50 per cent. Our friends know and respect that."

If Allen & Co. has so little to do with the public, what does it have to do with the movement of money?

Much, very much.

When Allen bought Colorado Fuel & Iron Co. from the Rockefellers, he converted a sick company into a blooming one, created a fresh market for fresh money. When Allen merges small insurance companies to make them more competitive with direct service companies, he adds further strength to further public investment. When Allen builds a bridge, he pushes the action of that bond on the market. When Allen puts a big financial pile into a foreign investment, he pulls more investment money overseas. When Allen buys a railroad, then buys a coal company to insure business for that railroad, then invests money into adjoining coal fields (and finally sells the railroad), he keeps money moving. He's a money-builder. And while Allen & Co. doesn't deal with the public, its individual companies do.



"... I'm like the terminal here—every train has to go through me."



"... We don't worry about ringing a daily cash register."



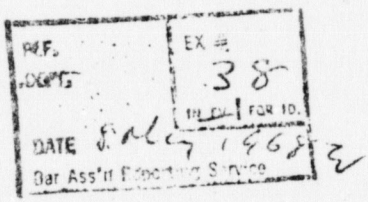
"... mother a deal all the way through the trading desk."

PLAINTIFF'S EXHIBIT 213.

OCCIDENTAL PETROLEUM CORPORATION

2

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRVIEW 7-7351



February 18, 1965
Tripoli, Libya

Mr. Taher Ogbi
P. O. Box 657
Tripoli, Libya

Re: Representation Agreement

Dear Mr. Ogbi:

This letter agreement is to confirm our understanding relative to your representation in the Kingdom of Libya of Occidental of Libya, Incorporated (the "Company") wholly owned subsidiary of Occidental Petroleum Corporation. Enumerated below are the specific functions to be performed by you and the terms and conditions of such representation.

1) You are hereby granted "Special Power of Attorney" to act as agent and attorney-in-fact in the name of the Company to:

a) Register and qualify the Company to do business in Libya in the realm of exploration, development, production, transportation and all ancillary activities related to natural gas, petroleum, other hydrocarbon substances and all minerals, chemicals, brines, steam, and geothermal accumulations; and in the realm of all activities related to the manufacture, processing, mixing, transportation, sale and marketing of chemical fertilizers;

b) Protocolize, legalize and register in the proper offices in Libya the corporate documents and other instruments required by its laws;

c) Take any and all other steps or do any further acts which may be required in order that the Company may be duly authorized to transact business and function in Libya.

ONLY COPY AVAILABLE

2

d) Represent the Company in Libya in such other special capacity or capacities as the officers of the company shall direct.

2) Such Special Power of Attorney defined in paragraph 1) above shall remain in effect until written notice of termination is made by either party.

3) You will pursue to the best of your ability all of the objectives presently under consideration namely the obtaining of oil and gas concessions of our selection and the establishment of a fertilizer industry and related problems.

4) You will advise us step by step on how we shall best proceed in achieving these objectives, and on the activity of competitors and competitor firms and conditions offered by same as well as reactions of Libyan channels to competitor offers.

5) You will advise us of any changes that may affect the conduct of our business in Libya.

6) You will advise us of business possibilities of any kind outside of our principal fields of petroleum and chemical fertilizers that you think may be mutually profitable and where you think a good chance of success is possible. We would assist you in obtaining offers, proposals, and credit terms outside Libya for any business possibility we mutually decide to pursue in Libya.

7) We will advise you of any group of which we are aware not in competition with the Company or its parent company and subsidiaries which seeks representation in Libya; and we will recommend you to such party. Likewise we would expect you to recommend to us any Libyan interest wishing outside cooperation in our lines of business and not competitive with your own activity.

8) You will employ your best efforts to make the Company a known

ONLY COPY AVAILABLE

PLAINTIFF'S EXHIBIT 213

2

and respected business factor in Libya.

9) You shall receive a service fee of US $ 500.00 (five hundred) per month in so long as this agreement is in effect. It is however understood that specific situations and business opportunities that develop as a result of this agreement will be negotiated to mutually satisfactory terms based on the merit and magnitude of each specific deal.

10) You hereby agree to promote the causes of the Company, the parent company and its subsidiaries to the exclusion of all others in the fields covered by this agreement.

11) Excepting as specified under Paragraphs 1) and 2) this agreement is valid for a period of one year as of the date of your signature thereon; it may however be terminated by either party upon thirty (30) days written notice in the form of a registered letter. If upon the expiration of the one (1) year period no notice of cancellation shall have been received or served by either party, this agreement shall be automatically extended for successive one (1) year periods under the same terms and conditions.

If the foregoing represents the tent and spirit of our relationship please so indicate below. We anticipate a long and successful relationship to which we are looking forward.

Yours very truly,

Richard H. Vaughan

Richard H. Vaughan
Vice President
Occidental Petroleum Corporation

Agreed to and accepted
this ___day of February, 1965

Taher Ogbi

DEFENDANT'S EXHIBIT 1.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRVIEW 7-2351

March 17, 1966

Ministry of Petroleum Affairs
Kingdom of Libya
Dadda, Libya

Attention: His Excellency, Fuad Kabazi
Minister of Petroleum Affairs

Gentlemen;

This letter is to notify you that as of this date the two bankers guarantees regarding Concessions 42B and 44 in the amounts of fifty thousand Libyan pounds each as required by Article 9 (3) of the Petroleum Law which were formerly being handled by Banco di Roma will now be handled by the Tripoli branch of Barclays Bank D.C.O. and further that these two guarantees will be kept in full force and effect for the life the the respective concessions.

Yours very truly,

OCCIDENTAL OF LIBYA, INC.

By: Richard M. Vaughan,
Executive Vice President

cc; Ministry of Petroleum Affairs
Tripoli, Libya

Attention: Mr. Moustafa Kamal

Copy received this _____ day
of March 1966 by the Ministry
of Petroleum Affairs

By _____

Barclays Bank D.C.O.
Guarantee No. 66/116
Re; Concession 42B
Guarantee No. 66/115
Re; Concession 44

استلمت اصل هذا الكتاب رفقه الاخوه العقاريه
من بار كلز ا صفحه
بتاريخ ١٩٦٦/٣/٢٣ المسؤول الكاتب

DEFENDANT'S EXHIBIT 1





Libyan Ministry of [illegible] Affairs
Tripoli/Libya

Gentlemen ,

Whereas you have decided to grant a Petroleum concession 44 under the Petroleum Law 25,1955 to Occidental of Libya Inc.(Hereinafter called "The Company") we Barclays Bank D.C.O., in accordance with Article 9(3) of the said Law,hereby guarantee to pay to you on notification of the failure of the Company duly to perform any of its obligations under t e above Law,the Concessions granted to it and applicable regulations and on written demand , the amount of such liabilities as you may certify as being due to you or otherwise payable to you or to the Director of Customs by the Company by reason of such failure provided that such amount shall not exceed a total of FIFTY THOUSAND LIBYAN POUNDS. The demand for payment shall state that the Company has been given reasonable notice in writing by the Libyan Ministry as well as an opportunity to remedy the failure there in specified and ,notwithstandingsuch notice , the Company has not remedied such failure.

This undertaking remains in force for any

DEFENDANT'S EXHIBIT 1

demand made on us within five years from the date of the concession namely 15th March, 1966 and will expire at noon on 15th March, 1971 before which time written notice of any claim hereunder must be received by us . Any claim received after this time will be invalid . This Guarantee will be renewable for further periods of 5 Years during the life of the concession .

Signed this Fifteenth day of March ,1966

FOR BARCLAYS BANK D.C.

ACCOUNTANT MANAGER

DEFENDANT'S EXHIBIT 1

COPY

ادارة شئون البترول الليبية
طرابلس ليبيا

حضرات السادة المحترمين

نظرا لانكم قد قررتم منح عقد امتياز بترولي رقم [illegible] بموجب قانون البترول رقم ٢٥ لسنة ١٩٥٥ لشركة امريكية تمثل ليبيا انف٠ ويشار اليها فيما بعد (الشركة) نحن باركليز بنك دى سى او٠ بمقتضى احكام المادة ٩ (٣) من القانون المذكور نضمن بموجب هذا ان تدفع اليكم عند ابلاغنا عدم قيام الشركة المذكورة على وجه مرض بالالتزامات المفروضة عليها وفقا لاحكام القانون وجميع عقود الامتياز الممنوحة لها في ليبيا والقرارين النافذة بناء على طلب كتابي منكم قيمة تلك الالتزامات وفقا لسعر تقرون استحقاقه لكم او يوجب دفعه اليكم او دفعه لتدبير الحذر لعدم قيام الشركة بالالتزامات المحددة بشرط الا تتجاوز تلك القيمة خمسون الفا جنيها ليبيا على ان يذكر في طلب الدفع ان الشركة اخطرت كتابيا اخطارا معقولا واعطيت لها الفرصة للوفاء بالالتزامات المحددة فيه وانها بالرغم من هذا الاخطار لم تف بالالتزامات المذكورة٠

يظل هذا التعهد نافذ المفعول بالنسبة لاى مطالبة ها لمدة خمس سنوات اعتبارا من تاريخ عقد الامتياز وهو ١٥ مارس ١٩٦٦ وتنتهي مدة ظهر يوم ١٥ مارس ١٩٧١ واى مطالبة بمقتضى هذا التعهد صحيحة كانت يجب ان تقدم خلالها وتعلقا قبل هذا التاريخ٠
اى ادعاء يعقبها بعد التاريخ المذكور اعلاه يعتبر لاغيا٠

ان هذا الضمان يمكن قابلا للتجديد لمدة خمس سنوات اخرى خلال مدة بقاء الامتياز٠

وقع هذا في اليوم الخامس عشر من شهر مارس ١٩٦٦

for BARCLAYS BANK D.C.O.

COPY

DEFENDANT'S EXHIBIT 1





Libyan Ministry of Petroleum Affairs

Tripoli/ Libya

Gentlemen ,

Whereas you have decided to grant a Petroleum concession 42 B under the Petroleum Law 25,1955 to Occidental of Libya Inc.(Hereinafter called "The Company") we Barclays Bank D.C.O.,in accordance with Article 9(3) of the said Law ,hereby guarantee to pay to you on notification of the failure of the Companyduly to perform any of its obligations under the above Law,the Concessions granted to it and applicable regulations and on written demand, the amount of such liabilities as you may certify as being due to you or otherwise payable to you or to the Director of Customs by the Company by reason of such failure provided that such amount shall not exceed a total of Fifty Thousand Libyan Pounds. The demand for payment shall state that the Company has been given reasonable notice in writing by theLibyan Ministryas well as an opportunity to remedy the failurethereinspecified and,notwithstanding such notice, the Company has not remedied such failure.

This undertaking remains in force for any

DEFENDANT'S EXHIBIT 1

demand made on us within five years from the date of the concession namely 15th March, 1966 and will expire at noon on 15th March, 1971 before which time written notice of any claim hereunder must be received by us , Any claim received after this timewill be invalid .This guarantee will be renewable for further periods of 5 Years during the life of the concession.

Signed this Fifteenth day of March, 1966

FOR BARCLAYS BANK D.C.O.

ACCOUNTANT MANAGER

DEFENDANT'S EXHIBIT 1

COPY

وزارة شئون البترول اللـــيبية

طرابلس ليبيا

حضرات السادة المحترمين

نظرا لانكم قد قررتم منح عقد امتياز بترولي رقم ٤٦/ب• بموجب قانون البترول رقم ٢٥ لسنة ١٩٥٥ لشركة اميدسنال ليبيا انك• وشار اليها فيما بعد (الشركة) نحن باركليز بنك دى سى او• بمقتضى احكام المادة ٦ (ثانيا) من القانون المذكور نضمن بموجب هذا ان تدفع اليكم عند اثباتكم عدم قيام الشركة المذكورة على وجه مرض بالالتزامات المفروضة عليها وفقا لاحكام القانون وجميع حقوق الامتياز الممنوحة لها في ليبيا والقوانين النافذة بناء على طلب كتابي منكم قيمة تلك الالتزامات ونتا لها تقررون استحقاقه لكم او وجب دفعه اليكم او دفعه لتدبير الخطأ لعدم قيام الشركة بالالتزامات المتعهد بها بشرط الا تتجاوز تلك القيمة خمسين الفا جنيها ليبيا على ان يذكر في طلب الدفع ان الشركة اخرت كتابيا اخطارا معقولا واعطيت لها فرصة للوفاء بالالتزامات المحددة فيه وانها بالرغم من هذا الاخطار لم تف بالالتزامات المذكورة•

يظل هذا التعهد نافذ المفعول بالنسبة لاى مطالبة هنا لمدة خمس سنوات اعتبارا من تاريخ هذا الامتياز وهو ١٥ مارس ١٩٦٦ وتنتهي هذه الظهيرة ١٥ مارس ١٩٧١ واى مطالبة بمقتضى هذا التعهد هيا كانت يجب ان تقدم خلالها وصلنا قبل هذا التاريخ•

اى ادعاء يصلنا بعد هذا التاريخ المذكور انه يعتبر لاغيا•

ان هذا الضمان سيكون نافذا للتجديد لمدة خمس سنوات اخرى خلال مدة سريان الامتياز•

وقع هذا في اليوم الخامس عشر من شهر مارس ١٩٦٦

COPY

FOR BARCLAYS BANK D.C.O.

ACCOUNTANT

MANAGER

DEFENDANT'S EXHIBIT 2.

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRview 7-7351

12 March, 1966

Ministry of Petroleum Affairs,
Kingdom of Libya,
Tripoli, Libya.

Attention: H.E. Fuad Kabazi,
Minister of Petroleum Affairs.

Re: Occidental of Libya, Inc.
Concessions 43 and 44

Gentlemen,

Occidental of Libya, Inc. (the Company) a subsidiary of Occidental Petroleum Corporation gratefully acknowledges your registered letter #/46/65 dated March 8th 1966, officially informing us of the decision of your Government to grant to Occidental of Libya, Inc. Concessions 43 and 44. The Company hereby confirms our acceptance of these two concessions in accordance with the terms of the Libyan Petroleum Law No. 25 for 1955 and Amendments thereto (including the Royal Decree issued on 20th November 1965 and in accordance with our Concessions Application of July 1965 and ensuing letters dated December 27, 1965 and December 30, 2965 effecting changes in favour of the Libyan Government.

Regarding our marketing agreement with the Mobil Oil and Gas Company referred to in the second paragraph of your letter of March 8th 1966, please be advised that our letter agreement signed by the Executive Vice President of Mobil and included as Exhibit VIII in our application will be registered in Libya if so required and notification thereof delivered to the Minister of Petroleum Affairs.

DEFENDANT'S EXHIBIT 2

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA
FAIRFAX 7-7351

We wish to inform you that the legal representative for the signing of the Concession Deed according to the Rules and the Articles of Incorporation for Occidental of Libya, Inc. which were filed with our Application for Concessions in July 1965 as Exhibits I (2) and I (3) and as was further spelled out in the Power of Attorney and in the Incumbency Certificate, which were included with our Application as Exhibits II (3) and II (4), the President of the Company and/or any Vice President has the authority to sign for the Company with full powers of attorney as legal representatives.

The actual signing of the Concession Deed will be accomplished for Occidental Libya, Richard M. Vaughn, Executive Vice President and Mr. C. James Lisa, Vice President and Exploration Manager.

In conclusion, we again wish to thank the Government of the Kingdom of Libya and the Ministry of Petroleum Affairs for the grants of Concessions 43 and 44 to our Company. We can assure you that our operations in Libya will justify the confidence that you have shown in Occidental of Libya, Inc. and its parent company and our many national and international subsidiaries. We will definitely immediately commence our exploratory activities to discover oil just as soon as the official concession documents are signed and will soon thereafter also commence the feasibility studies leading to

2023a

DEFENDANT'S EXHIBIT 3.

March 8, 1966

Kingdom of Libya,
Ministry of Petroleum Affairs,
Bida.

Regist. U/46/66

Re: Reg. Confidential Representation - Tripoli

Referring to your application for Concessions 42, 43, 44 and 47, I am pleased to inform you it has been decided to grant you Concessions 42B and 44.

It is understood that your applications will be applied to these two Concessions, and regarding the agreement made by your Company and Signal Company for marketing your expected production of crude Libyan oil, it is necessary to deposit the official documents and have them registered in Libya, furnishing the Ministry of Petroleum Affairs with a copy after these procedures have been effected. a

Please confirm your approval of this letter by sending a registered letter to the Minister of Petroleum Affairs at Bida, and the same letter, also registered, to the Secretary of the High Committee for Petroleum Affairs, Tripoli, in order to start the necessary procedures for signing the Concession Grant with your legal representative.

Respectfully yours,

Fouad El Gebaly
MINISTER OF PETROLEUM AFFAIRS.

copy to: the Secretary of the High Committee of Petroleum Affairs/Tripoli.

DEFENDANT'S EXHIBIT 4.

"LIBYA LAND RUSH" AS

Sunday Tribune

August 8, 1965

OIL COUNTRY GOES TO BID

Vast interest by oil companies

MINISTER of Petroleum Affairs, Ess Fuad Kabazi, opened bids for new oil concessions last Saturday in Malta.

The Conference Room—usually reserved for Cabinet meetings—was crowded with oilmen.

Opening began promptly at 1100 hours and continued without a break until 1820 hours.

By then all the 104 bids had been opened.

The requested areas were announced to the meeting and the last page of the bid signed by the company concerned.

Minister Kabazi sat at the huge Cabinet table. Three officials of the Petroleum Ministry were with him.

Oilmen had travelled from all parts of the world for the ceremony.

Most were from the United States, and in this contingent Texas and Oklahoma were best represented, but there were also many Europeans at the meeting.

The atmosphere was tense at first.

This was understandable. Libya was not offering areas of desert sand and rock.

The lots that were up for competition comprised some of the most valuable oil-speculative country in the world.

They could literally provide wealth beyond the dreams of avarices for some of the bidders.

Oilmen everywhere had been waiting years for this opportunity. It could hardly reach a zenith without an amount of excitement making itself felt.

Nearly 50 companies or consortiums of companies had bid for the concessions and all were represented in the Conference Room.

Pressmen were there; so were contracting organisations who will be brought in to work the concessions when they are granted.

Everyone was welcomed by the Minister in a short opening speech in which he thanked oil companies for the interest shown. This was greater than had been expected, he said.

The Minister, who is an accomplished linguist, spoke in Arabic and immediately repeated his words in English.

With the remark that "We will proceed with the big task of examining bids and try to make decisions within the specified time of 90 days," the Minister began to open the envelopes.

This was done in receipt number order: the first opened being that of the Phillips/Libyan Atlantic consortium. This organisation had bid for lots on the Syrtic Gulf coast and two off shore lots.

At first the Minister read out the details offered in the bids, but soon decided that this was insufficient for other than announcing the company name and the lots it wanted.

Most companies already holding concessions were seeking new territory. The exceptions were British Petroleum, Nelson Bunker Hunt and Libyan American Oil Company.

Some companies, notably the Oasis Oil consortium of Amerada, Continental and Marathon, bid for several lots they had dropped under the relinquishment clauses of the Petroleum Law.

Oilmen found something amusing in the Oasis bid for blocks 74, 76 and 77, and there was considerable laughter when this was read out.

These particular lots are in the Kufra area of south-east Libya.

Oilmen also showed special interest in a bid by Occidental Oil which was accompanied by a leather-bound volume detailing how Kufra

(Continued on back page)

manpower as a seeks foreign p out shortages

bour crisis, according to an

itage is slowing big development

in Morocco.

A delegation, headed by the Under-Secretary to the Ministry, recently went to Rabat to discuss with Mor-

Italy goes top

Algeria, USA lose 'best trader' titles

ITALY has ousted Algeria as Libya's best customer (excluding oil purchases).

She has also ousted the USA as best supplier.

In the first quarter of this year, Italy took 31 per cent of Libya's non-petrol exports.

She supplied 27.5 per cent of Libya's imports.

In the first quarter of last year, Algeria was Libya's best customer, taking 27.4 per cent of Libyan exports.

This year she took under seven per cent.

In the first three months of 1964, the United States was Libya's top supplier, providing 19.6 per cent of Libya's purchases.

In the corresponding period this year the figure fell to 11.5 percent.

The top three customers this year were Italy, Britain (25.2 per cent) and Yugoslavia (11.2).

Top suppliers were Italy, Britain (18.6) and the USA.

Libya's exports, excluding oil, rose from £872,000 to £921,000, while imports dropped from £24,031,000 to £21,162,000.

The Common Market again played an important role in Libya's foreign trade, taking 38.9 per cent of non-oil exports.

It provided half of Libya's imports.

The figures are given in the Monthly Economic Bulletin of the Bank of Libya.

The Bulletin points out that among the socialist countries Russia bought 5.3 per cent of Libya's non-oil exports. This group provided 8.7 per cent of Libya's imports.

Libya's trade with the Arab League countries was very small, says the Bulletin.

Total imports from these amounted to £712,000, and total exports to £38,000.

Imports from the Maghreb countries showed a big rise.

New municipal offices

The near-Tripoli oasis of Tajura opened new municipal offices last week. Tajura is an important administration centre. The Wheelus USAF base is in its area.

BOAC cares...

Defendants' Ex. K. 3 for id.

2025a

DEFENDANT'S EXHIBIT 4

Sunday Sketch
August 8, 1965

of eggs and dairy products, live animals and meat, and fresh, dried and prepared fruit.

BIDS

(Continued from page one)

Oasis could be developed industrially and agriculturally.

Occidental, which has fertilizer interests, had bid for a much-wanted area of country in the Syrtica.

Biggest interest among bidders was for lots made up of country in or near the current Concession 59 which has given Oasis Oil so many producing fields.

Twenty two companies or consortiums bid for Block No. 42, 15 bid for Block 43, 16 for Block 47 and seven for Block 44—all in or near the original Concession 59.

After the first few minutes the meeting relaxed from its early tenseness.

Representatives moved about the hall or went to the local hotels for lunch.

Minister Kabazi, however, continued reading bids without a break, calling attendants to bring refreshments and sandwiches for lunch which he ate while working.

Tripoli opinion last week, after the bidding had been made public, was that far more companies than expected had made offers.

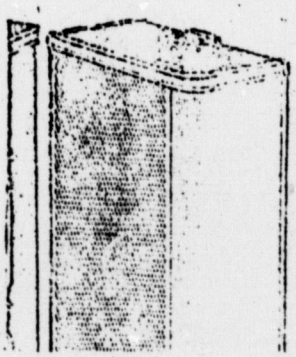
«This is the biggest thing since the Oklahoma land rush,» one oilman said.

Another was enthusiastic about the manner in which the opening had been conducted.

«Whatever the outcome of the bids may be, one thing is certain: that Minister Fuad Kabazi has enhanced his already high reputation among oilmen everywhere.

«The meeting could not have been better handled,» he said.

onic Tape Recorder



Ona y

TRIPOLI
ZURICH

4 DAYS IN S
the 21 days
class hotels,
half-day sig
Rhine Falls

Rate per

ZURICH
NEW YO
MONTH
CHICAG

From C

DEFENDANT'S EXHIBIT 5.

Kingdom of Libya)
City of Tripoli) SS
Embassy of the United States)
of America)

I, John A. Graham, Vice Consul of the United States of America at Tripoli, Libya, duly commissioned and qualified, do hereby certify that Mr. Khalifa A. Musa, whose true signature and official seal are, respectively, subscribed and affixed to the annexed certificate, was, on the 24th day of July, 1969, the date thereof, Minister of Petroleum Affairs of the Kingdom of Libya, to whose official acts faith and credit are due.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the American Embassy at Tripoli, Libya, this 31st day of July, 1969.

EMBASSY OF THE UNITED STATES TRIPOLI

John A. Graham
Vice Consul of the United States of America

CERTIFICATE DEFENDANT'S EXHIBIT 5

KINGDOM OF LIBYA)
CITY OF TRIPOLI) ss.:

I, IBRAHIM HUNGARI, Undersecretary of the Ministry of Petroleum Affairs, Kingdom of Libya, do hereby certify that I am presently the Undersecretary of said Ministry and in my capacity of Undersecretary of the Ministry of Petroleum Affairs I am the custodian of all records of the said Ministry.

I also certify that I have examined the document annexed hereto and marked Exhibit "A" and that I have made a diligent search of all the records of the Ministry of Petroleum Affairs and no copy of the document annexed hereto and marked Exhibit "A" is found to exist in the said records.

Witnesseth my hand and official seal this 24 day of July, 1969.

IBRAHIM HUNGARI

I, KHALIFA A. MUSA, Minister of Petroleum Affairs, Kingdom of Libya, do hereby certify that IBRAHIM HUNGARI who signed the foregoing certificate was at the time of signing the same Undersecretary of the Ministry of Petroleum Affairs of the Kingdom of Libya, and that as such he is the custodian of the records of the Ministry of Petroleum Affairs of the Kingdom of Libya and is qualified to issue such certificate as aforesaid and that such certificate is in due form and by the proper official.

Witnesseth my hand and official seal this 24 day of July, 1969.

KHALIFA A. MUSA

DEFENDANT'S EXHIBIT 5

KINGDOM OF LIBYA
Ministry of Petroleum Affairs

المملكة الليبية
وزارة شئون البترول

Special File

Tripoli, 16/2/66

EXHIBIT "A"

Mr. Ferdinand Galic
41, Rue Spontini
Paris 16
France

Dear Sir,

you will be pleased to know that shortly Occidental Petroleum will receive a favourable reply in its bid for petroleum concessions in Libya.

As I have repeatedly stated to you, in the interest of my country, our policy in the granting of petroleum concessions is based on capacity of the companies to absorb fully their output. As you well know, the interest of my country is above every thing in my heart. I wish, therefore, to remind you, that you have assured me on two very important points:

1. that Occidental Petroleum is in a position to absorb any amount of oil found;
2. that Messrs Allen & Co. of 30, Broad Street, New York, N.Y., USA, assures the necessary financing involved.

With sincerest regards,

truly Yours,

(Fuad Kabazi)
Minister of Petroleum Affairs

2029a

DEFENDANT'S EXHIBIT 6.

DEFENDANT'S
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
67 CV 4011

D-6

In re: Allen & Co.
vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS
AND RESEARCH

J. HOWARD HARING
15 PARK ROW • NEW YORK, N. Y. 10038

TO

Louis Nizer, Esquire
Attorney at Law
Phillips,Nizer,Benjamin,Krim & Ballon
Esquires
477 Madison Avenue
New York, New York 10022

DEFENDANT'S EXHIBIT 6

J. HOWARD HARING ASSOCIATES, INC.
Examiners of Questioned Documents
PHOTOGRAPHIC EXHIBITS FOR COURT DEMONSTRATION
15 PARK ROW
NEW YORK, N.Y. 10038
212-227-8773-8

J. VREELAND HARING (1868-1954)

J. HOWARD HARING
RESIDENCE
926 BLOOMFIELD AVENUE
GLEN RIDGE, N. J. 07028
201-748-1316
ASSOCIATE MEMBER
INTERNATIONAL ASSOCIATION
FOR IDENTIFICATION

October 14, 1970

The Honorable Judge Walter R. Mansfield
U. S. District Court
Southern District
U. S. Court House
Foley Square
New York, New York 10007

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

Dear Judge Mansfield:

This is the report of an analysis made pursuant to assignment of the Southern District Court, by you, on March 4, 1970. In accordance with this Court Order and the instructions contained therein, I proceeded to make a complete analysis of the documents in question and to arrange to have any and all additional documents submitted, which could be used in the analysis and comparison of the questioned material.

The procedures followed are those which are normally taken during analysis and research into the authenticity or non-authenticity of any document problem of this nature.

PROBLEM:

To determine the authenticity of a typewritten letter, dated February 16, 1966 (Plaintiff's Exhibit G-30) from Fuad Kabazi to Ferdinand Galic.

ANALYSIS, RESEARCH AND INVESTIGATION:

In order to properly analyze each pertinent phase of the document in question, it was necessary to research the following factors which would bear on its genuineness:

1. Age of the paper.
2. Age of the ink.
3. Chemical composition of paper.
4. Name and location of the manufacturer of the paper.
5. Make of typewriter or manufacturer of typescript.

DEFENDANT'S EXHIBIT 6

J. HOWARD HARING ASSOCIATES, INC. October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

6. Printing of letterhead.
7. Use and origin of crest appearing thereon.
8. Neutron activation test of paper.
9. Comparison of paper and all other pertinent factors, with similar letters on file (especially those bearing crests and within the same approximate time period) if available.
10. Comparison of typescript with any other letter made by use of the same typewriter.

On March 10, 1970 the questioned document was received along with a copy of a memorandum dated October 18, 1965 and a copy of your Order. These were accompanied by a letter of transmittal on the stationery of Eaton, Van Winkle & Greenspoon, 201 East 42nd Street, and delivered to me by hand.

On March 18, 1970 I attempted to contact you concerning submission of additional documents to be used for comparison and analysis. At this time I spoke with Mr. Drury, your legal aide. On March 19, 1970 Mr. Drury telephoned me and advised that he had spoken to you. You instructed Mr. Drury to advise me that henceforth I was to contact the attorneys directly for any documents or information concerning my examinations. Pursuant to these instructions, I proceeded to contact attorneys Samuel Greenspoon and Neil Pollio and requested them to submit any and all documents which could be used in this analysis and research. The following documents were received:

From Phillips, Nizer, Benjamin, Krim & Ballon, Esquires:

Received May 4, 1970:

K1. Original letter dated March 8, 1966, with English translation thereof.
K2. Original letter dated July 11, 1966, with English translation thereof.
K3. Original letter dated October 9, 1966, with English translation thereof.
K4. Original 2-page document, without English translation, bearing pencil notation on bottom of page 1 thereof. This 2-page document represents receipt issued by Ministry of Petroleum Affairs with regard to concession application filed July 29, 1965.

Received May 11, 1970:

K5. Concession contract dated March 29, 1966 - annexed thereto 4 original stationery sheets then in use by Ministry of Petroleum Affairs for the Kingdom of Libya.

DEFENDANT'S EXHIBIT 6

J. HOWARD HARING ASSOCIATES, INC. October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum.

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

K6. 4-page draft of schedules annexed to above concession contract, likewise prepared on original stationery of the Ministry of Petroleum Affairs.

Received June 5, 1970:

K7. Original letter from Ministry of Petroleum Affairs, Kingdom of Libya, bearing stamp dated October 9, 1966.
K8. Original letter from Ministry of Petroleum Affairs, Kingdom of Libya, bearing received stamp May 16, 1967.
K9. Original letter from Ministry of Petroleum Affairs, Kingdom of Libya, bearing pencil notation June 1, 1967.
K10. Original letter from Ministry of Petroleum Affairs, Kingdom of Libya, bearing received stamp June 27, 1967.
K11. Original letter from Ministry of Petroleum Affairs, Kingdom of Libya, bearing pencil notation date of July 4, 1967.
K12. Original notification received from Ministry of Petroleum Affairs, Kingdom of Libya, on May 8, 1967.
K13. Original notification received from Ministry of Petroleum Affairs, Kingdom of Libya, on May 8, 1967.
K14. Original notification received on May 16, 1967.

All of the documents submitted were technically photographed. Enlargements were made and positive negatives were also made.

Microscopic examinations were conducted under various lighting conditions, including ultraviolet and infrared. Two of the documents were selected for Neutron Activation analysis. Further, extensive analysis and research was made regarding the typescript and origin of the paper. This research was international in scope.

ANALYSIS OF THE QUESTIONED DOCUMENT RESULTED IN THE FOLLOWING OBSERVATIONS AND FINDINGS:

TYPESCRIPT

Research, measurements and analysis disclosed that the type face was most likely designed and manufactured in Germany. The type style appears to be European, either RARO in Germany, or SIETAG in Switzerland, but most likely German in origin.

It was noted that the type impression fractured the fibers of the paper in certain areas, specifically where the period appears, causing a hole in the paper. Microscopic examination of the rear side of the paper, where the fractures appear, as well as the entire rear portion of the document, did not disclose a discoloring which would indicate the use of carbon paper.

J. HOWARD HARING ASSOC DEFENDANT'S EXHIBIT 6

October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

CREST

The center of the letterhead shows the imprinting of a crest. This crest was minutely analyzed and photographed in various ways, using both positive and negative film. The imprinted letterhead was also minutely examined and measured as to the relative spacing of the words "KINGDOM OF LIBYA
Ministry of Petroleum Affairs",
as relates to the location of the center crest.

Document K2 described above, which is an original letter bearing an imprinted crest in the upper center margin, and reportedly dated July 11, 1966, was compared in its entirety with the letter in question. The reason for the selection of this particular letter of July 11, 1966 was due to the similarity in size of paper, similarity in size of crest and imprinted words in the upper left-hand margin; and further, the date of this letter being closely related to the date in question.

A comparison of the crest on the questioned letter with the crest appearing on letter of July 11, 1966 showed that the crests were in fact the same size. However, a difference was observed in the formation and impression in the lower right-hand side of the crest, as well as a slight variation in design. Further, by overlaying the two crests one on top of the other, it developed that the imprinted words "KINGDOM OF LIBYA" were out of focus and did not match. Further, an examination of both of these documents under various lighting including infrared and ultraviolet disclosed a difference in hue and color between the papers. In overlaying one full page on top of the other I find that the questioned document is slightly longer in length and slightly narrower in width than the letter of July 11, 1966.

No watermark was found to exist on either of these letters.

Research was conducted into the production and manufacture of the paper in question as well as the July 11, 1966 document. In connection with this research all documents submitted were examined and analyzed for watermarks and/or any other information which would bear on the development and source of the manufacture of the paper used in the document in question.

It was also observed that no staple holes appear in the document in question.

NEUTRON ACTIVATION TEST OF PAPER

Small sample fragments were taken from the lower right-hand corner of the questioned document and the letter dated

DEFENDANT'S EXHIBIT 6

J. HOWARD HARING ASSOCIATES, INC. October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

July 11, 1966 and submitted for Neutron Activation analysis. The results of the examinations conducted were reviewed, and it is demonstrated that the aluminum content of the two documents were detected to be significantly different. The difference found indicates that at the very least, the papers used to manufacture the two documents did not come from the same batch.

RESEARCH ON ADDITIONAL ORIGINAL DOCUMENTS SUBMITTED:

K1. Original letter dated March 8, 1966:
It was found that the crest was larger than the crest in question, and the printing was of a different size, as well as the fact that the paper was larger and different in appearance. Therefore, this document was eliminated from further research.

K2. Original letter dated July 11, 1966:
This letter was used extensively in analysis and comparison with the questioned document, and is being covered fully in this report.

K3. Original letter dated October 9, 1966:
Comparisons of this letter show the crest to be larger than the crest in question, and the size of the paper both in width and length is larger, as well. The watermark imprinted in this paper was used for further research and investigation.

K4. Original Two-page Document with Pencil Notations on the Bottom of Page 1:
These two documents revealed that the papers were different in texture and were not imprinted with crests, therefore, no further analysis was conducted.

K5. Concession Contract dated March 29, 1966 with four Original Stationery Sets Attached Thereto:
Examination of the original documents show that the size of the stationery was larger than the questioned document, and further, the size of the crest was also larger. The texture of the paper appeared to be different. Therefore, no further research was conducted by use of these documents.

K6. Four-page Draft of Schedules which were part of the Concession Contract as well:
Two of the four pages showed crest larger than the crest in question, and further, the size of the paper was larger than the document in question. Also, the texture of the paper was found to be different than the questioned material, therefore, no further research was made on these documents.

J. HOWARD HARING ASSOC. DEFENDANT'S EXHIBIT 6 October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

K7. Original letter from Ministry of Petroleum Affairs, bearing stamp dated October 9, 1966:
The crest on the letterhead was larger than the crest in question, and the size of the paper was also larger. Research was conducted in to the watermark appearing on this paper for further possible analysis.

K8. Original letter from Ministry of Petroleum Affairs, stamped May 16, 1967:
This letter bears no letterhead or crest, and was found to be different in texture and composition than the paper in question. No further research was conducted.

K9. Original letter from Ministry of Petroleum Affairs, dated June 1, 1967:
The crest on this letterhead was larger than the crest in question, and the texture and color of the paper were slightly different. Further, the size of the paper was larger than the paper in question. Therefore, no further research was pursued on this document.

K10. Original letter from Ministry of Petroleum Affairs, stamped June 27, 1967:
This document bears a crest which was larger than the crest in question, also the paper was a larger size. The color and texture of the paper appeared to be different. Therefore, no further research was conducted on this document.

K11. Original letter from Ministry of Petroleum Affairs, dated June 4, 1967:
The crest on this letter was larger than the crest in question. The size of the paper was larger than the questioned material, and the paper texture and color appeared to be different. Therefore, no further research was conducted on this document.

K12. Original Notification received from Ministry of Petroleum Affairs, stamped May 8, 1967: and

K13. Original Notification received from Ministry of Petroleum Affairs, dated May 8, 1967:
Both of these documents were found to be completely different from the document in question, and no further research was conducted.

K14. Original Notification dated May 16, 1967:
The crest appearing on this document was larger than the crest in question. The paper was found to be larger in size, and appeared to be slightly different in color. Therefore, no further research was conducted on this document.

DEFENDANT'S EXHIBIT 6

J. HOWARD HARING ASSOCIATES, INC.

October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

RESEARCH ON ADDITIONAL DOCUMENTS SUBMITTED BY EATON, VAN WINKLE, AND GREENSPOON, ESQUIRES:

K15. This is a document headed "Memorandum From Charles Allen, Jr.," and dated October 18, 1965. The typing appears on a piece of paper approximately 4-3/4" x 5-7/8", and is further marked as Exhibit 8-A for identification. The typewriter used on this document was researched and found to be IBM Selectric - 01 Scribe. Further, this type design was in existence and available for commercial use prior to 1965.

REVIEW AND SUMMARY:

I. With regard to the type research conducted above, and resultant findings, in summary, the strongest opinion that can be stated is that the type size very likely was manufactured in Germany, and could have appeared on any number of foreign manufactured machines. I was unable to pinpoint the particular make of machine used to prepare the letter in question.

II. With regard to the comparison, research and findings in connection with the crest, it can be stated that in view of the fact that one letter submitted for comparison (K2) did bear the same size crest and imprinted matter, and further this second letter was closer in size to the letter in question, than any other letter submitted for comparison purposes, plus the fact that it was somewhere within the date period of the letter in question (7/11/66). I must conclude that the differences found in imprinting of the two crests and the mal-alignment of the crests and the imprinted heading, indicates that this difference is material when evaluating the problem of whether or not the letter in question came from the same stock of paper, and/or was imprinted at the same time of the questioned document. In the absence of any other similar sized or imprinted documents of the same time period, and/or the same paper texture and consistency, no further conclusion can be reached or established in connection with this area of research at this time.

III. With regard to the research conducted in attempting to establish the location and manufacturer of the paper in question, including detailed study and analysis of two of the additional documents submitted, which bore the same crest and letterhead imprinting i.e.; "KINGDOM OF LIBYA", items K3 (10/9/66) and K6, these two latter documents were found to have watermarks, which were distinctly different from one another, one showing three entwined circles and the other "EXTRA STRONG NORWAY".

DEFENDANT'S EXHIBIT 6

J. HOWARD HARING ASSOCIATES, INC.

October 14, 1970

In re: Allen & Co. vs. Occidental Petroleum

REPORT OF DOCUMENT ANALYSIS AND RESEARCH

Extensive research was made through reference material and contacting various American paper manufacturers and foreign paper industries. These procedures led to one manufacturer in Norway, Hamang Papirfabrik. Special photographs were made of the documents, clearly showing the watermarks, and copies were sent through channels to Hamang Papirfabrik for further study. Their analysis of the photographs disclosed that one of these watermarks was definitely their own, and it was indicated that an examination of the original documents may develop a basis for identifying this paper, and possibly identifying the paper used in the questioned document as well.

This phase of research and investigation consumed more time and effort than originally anticipated upon acceptance of this assignment. Due to certain circumstances beyond my control, and the necessity to submit a timely report of my findings, I did not have time to further pursue the research into the origin of the paper, which would include a visit to the paper mill in Norway, as the final phase of this area of analysis.

With further reference to the proposed visit to the paper mill in Norway, communication with Hamang Papirfabrik requesting an appointment to further investigate this part of the analysis has received no reply to date; I therefore was unable to complete this portion of the analysis.

Respectfully submitted,

J. Howard Haring

JHH:as

CC: Louis Nizer, Esquire

Samuel N. Greenspoon, Esquire

DEFENDANT'S EXHIBIT 8.

Please fill out, execute and deliver this Questionnaire in triplicate to Lehman Brothers, One William Street, New York, N. Y. 10004, for attention of Mr. Milan C. Kerno, not later than the close of business on May 18, 1966.

D Ex 18

$62,000,000
OCCIDENTAL PETROLEUM CORPORATION
...% Convertible Subordinated Debentures
Due June 1, 1991

Lehman Brothers
Allen & Company Incorporated
Reynolds & Co.
As Representatives
c/o Lehman Brothers
One William Street
New York, N.Y. 10004

UNDERWRITERS' QUESTIONNAIRE

Dear Sirs:

In connection with the proposed offering of the above Debentures of OCCIDENTAL PETROLEUM CORPORATION (herein called the "Company"), the undersigned, as a proposed Underwriter, authorizes you to furnish the information given herein to the Company for use by it in its Registration Statement (Form S-1) relating to the Debentures and in the Statement of Eligibility and Qualification of the Trustee (Form T-1).

1. Our correct name (including punctuation) and address (including zip code) are as follows:

Name ALLEN & COMPANY INCORPORATED

Street Address 30 Broad Street

City and State New York, N.Y. 10004

2. (Check one): We are a Partnership ( ), Corporation (X), Sole Proprietorship ( ).

3. Except as set forth below:

(a) Neither we nor any of our directors, officers or partners have a material relationship with the Company, nor have we or any of them been, during the last three years, an officer or director of the Company or an associate (as defined in Rule 405 of the Securities and Exchange Commission) of any of its officers or directors, or of any person who, to our knowledge, owned of record or beneficially as of March 31, 1966, more than 10% of any class of voting securities of the Company;

(b) Neither we nor any of our directors, officers or partners, as a group, owned of record or beneficially on March 31, 1966, more than 10% of any class of voting securities of the Company;

DEFENDANT'S EXHIBIT 8

(c) Other than as may be stated in the Registration Statement, the Agreement Among Underwriters, the Underwriting Agreement or the form of Selling Agreement relating to the Debentures, we do not know of any discounts or other consideration to be received by any dealer in connection with the sale of the Debentures, or of any arrangement to limit or restrict the sale of the Debentures of the Company for the period of distribution, to stabilize the market for the Debentures or the Capital Stock of the Company or for withholding commissions, or otherwise to hold each Underwriter or dealer responsible for the distribution of his participation;

(d) Other than as may be stated in the Registration Statement, we have no knowledge that more than 10% of any class of voting securities of the Company is held or to be held subject to any voting trust or other similar agreement;

(e) We are not in control of, controlled by, or under common control with The Chase Manhattan Bank, and neither said Bank nor any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of ours;

(f) We and our directors, executive officers and partners, taken as a group, did not on April 1, 1966 own beneficially more than 209,513 shares of the Capital Stock of The Chase Manhattan Bank;

(g) Except for investment research reports prepared by or for us in the normal course of our business which were not distributed by us after we became aware of the proposed offering of the Debentures, we have not within the past twelve months prepared or had prepared for us any engineering, management or similar report or memorandum relating to the broad aspects of the business, operations or products of the Company, nor has any report or memorandum been prepared for external use by us in connection with the proposed offering of the Debentures; and

(h) Our proposed commitment to purchase the Debentures will not result in violation by use of the financial responsibility requirements of Rule 15c3-1 under the Securities Exchange Act of 1934.

NO EXCEPTIONS
(State "No exceptions" or set forth exceptions, if any, and give details)

The answers to the foregoing questions are correctly stated to the best of the knowledge, information and belief of the undersigned. The undersigned agrees to notify the Company promptly of any changes in the foregoing information which may occur prior to the effective date of the Registration Statement.

Very truly yours,

For Partnership Signature

[redacted]
(Partnership Name)

By _____
(Partner)

For Corporate Signature

ALLEN & COMPANY INCORPORATED
(Name of Corporation)

By Herbert L. Stern, Vice President
(Signature & Title of Authorized Officer)

For Sole Proprietorship

_____
(Individual Signature)

Dated: May 11, 1966

D-9

~~D-19~~

DEFENDANT'S EXHIBIT 9.

D EXH. NO. 19 rcd
BORAK, REPORTER
1/14/67
D-813.

ALLEN & COMPANY INCORPORATED

OFFICERS

PRESIDENT

HERBERT A. ALLEN

EXECUTIVE VICE PRESIDENTS

JAMES S. ABRAMS

MARVYN CARTON

IRVING KOERNER

SENIOR VICE PRESIDENT AND TREASURER

HERBERT L. STERN

SENIOR VICE PRESIDENTS

FRANK H. BLAIR

HARRY A. MICHELS

EDWARD PATTERSON

BARTLETT PINKHAM

LAURENCE LYONS

VICE PRESIDENTS

HALSEY BREWSTER
C. MERRITT COLEMAN
JOSEPH CORBY
AARON A. GELLER
CHARLES LOB
ANTHONY MANHEIM
WALTER O"HARA
JOSEPH E. SHEEHAN
HAROLD WIT

EDMUND BLEICH
PETER W. BROCHU
ROLAND CRANDALL
RICHARD CROOKS
ALAN HIRSCHFIELD
STANLEY S. SHUMAN
GARY MORRISON
LEE MEYER
MILTON FILENE

BERNARD HOCK

SECRETARY

JAMES W. DEER

ASSISTANT SECRETARY AND
ASSISTANT TREASURER

MILTON FILENE

D-10

DEFENDANT'S EXHIBIT 10.

ALLEN & COMPANY INCORPORATED

DIRECTORS

HERBERT ALLEN, CHAIRMAN OF THE BOARD

MURRAY R. LAVIN, VICE CHAIRMAN

C. ROBERT ALLEN III, VICE CHAIRMAN

CHARLES ALLEN, JR.

JAMES S. ABRAMS

HERBERT A. ALLEN

FRANK BLAIR

MARVYN CARTON

F. WILLIAM HARDER

IRVING KOERNER

HARRY A. MICHELS

EDWARD PATTERSON

HERBERT L. STERN

DEFENDANT'S EXHIBIT 11.

PROSPECTUS

$61,168,300

Occidental Petroleum Corporation

5¼% Convertible Subordinated Debentures due June 1, 1991

To bear interest from July 5, 1966
Convertible into Capital Stock at $45½ per Share

As set forth herein under "Offer to Shareholders," shareholders of record at the close of business on June 16, 1966, are receiving Rights to subscribe for the Debentures offered hereby on the basis of $100 principal amount of Debentures for each 14 shares of Capital Stock then held. The Rights are evidenced by transferable Warrants and will expire on July 5, 1966, if not exercised on or before that date. On June 16, 1966, the last sale price of the Capital Stock on the New York Stock Exchange was $44½.

Application has been made by Occidental for the listing on the New York Stock Exchange of the Debentures offered hereby (hereinafter called the "Debentures").

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Subscription Price	Underwriting Discounts and Commissions (1)	Proceeds to Company (1) (2)
Per Unit ($100 principal amount)	100%	Minimum 1.25% Maximum 2.25%	Minimum 97.75% Maximum 98.75%
Total	$61,168,300	Minimum $ 764,603.75 Maximum $1,376,286.75	Minimum $59,792,013.25 Maximum $60,403,696.25

(1) See "Underwriting" herein for assumptions on which the minimum and maximum underwriting commissions are based and for information concerning possible payment to Occidental Petroleum Corporation by the Underwriters of additional funds. The Underwriters are obligated to purchase all Unsubscribed Debentures if any are purchased by them.

(2) Before deducting expenses payable by Occidental, estimated at $346,000, and exclusive of accrued interest on Unsubscribed Debentures purchased by the Underwriters.

During and after the subscription period, the Underwriters may offer Debentures (including Debentures issuable upon exercise of Rights purchased for the accounts of the Underwriters), either firm or subject to prior subscription, at prices set from time to time by the Representatives of the Underwriters. Each such price when set will not exceed (i) the highest price at which a dealer not participating in this distribution is then offering Debentures to other dealers, plus the amount of any concession to dealers, or (ii) after the Debentures have been admitted to trading on the New York Stock Exchange, the greater of the last sale or current asked price of the Debentures on such Exchange, plus the amount of the commission applicable on such Exchange, and plus, in either case, accrued interest, if any. A price so set in any calendar day may not be increased more than once during such day. The Underwriters may thus realize profits or losses independent of the underwriting commissions set forth above.

The list of Underwriters set forth herein under the caption "Underwriting" includes:

Lehman Brothers **Allen & Company** **Reynolds & Co.**
INCORPORATED

The date of issue of this Prospectus is June 17, 1966.

DEFENDANT'S EXHIBIT 11

USE OF PROCEEDS

The net proceeds from sale of the Debentures, after deducting underwriting commissions and other expenses in connection with such sale, are estimated at $60,000,000. Approximately $11,000,000 will be required for additions, expansions and improvements of phosphate rock production, rock beneficiation facilities and chemical processing facilities in Northern Florida and approximately $12,000,000 will be utilized as working capital (accounts receivable and inventory) in the overall expansion of fertilizer operations. Occidental presently plans to use approximately $15,000,000 of these proceeds for oil and gas development in 1966 and 1967. The balance of the proceeds have not been allocated for any particular purpose, but together with cash generated from operations would be available for projects which Occidental has under consideration for the production of basic fertilizer components such as ammonia, phosphate rock, potash and sulphur in the United States, Canada, Morocco, Tunisia, Libya and Saudi Arabia, which could require substantial capital expenditures for new plant and equipment. If further funds are required for these purposes they may be provided from proceeds of the sale of additional securities or from borrowings.

Not all of the net proceeds from the sale of the Debentures will be immediately utilized. Pending utilization, such proceeds will be deposited in interest-bearing accounts or invested in interest-bearing obligations.

CAPITALIZATION

The consolidated debt and capitalization of Occidental at May 31, 1966, and at that date adjusted to give effect to the issuance of the Debentures, are as follows:

	Amount Outstanding at May 31,1966 (Note 1)	Amount to be Outstanding
DEBT:		
Occidental and Consolidated Subsidiaries (Note 2):		
Convertible subordinated debentures due 1991	—	$ 61,168,300
5½% promissory notes due 1970-1985	$ 60,000,000	60,000,000
5½% promissory notes due 1967	20,000,000	20,000,000(1)
5½% promissory notes payable to banks due in quarterly installments 1968-1972	25,000,000	25,000,000
6⅛% promissory notes due 1971	2,814,000	2,814,000
Liability under mineral deposit purchase agreement	8,109,000	8,109,000
Promissory notes (5⅜%-5¾%) due 1968-1977	3,300,000	3,300,000
Various secured loans (5%-8%) due 1966-1973	474,000	474,000
Various unsecured loans (5%-6%) due 1966-1978	837,000	837,000
	$120,534,000	$181,702,300
Unconsolidated Subsidiaries:		
S. V. Hunsaker & Sons, Inc. (Note 3):		
Various notes (5¼%-7¼%) secured by real estate	$ 28,081,000(A)	$ 28,081,000(A)
5¾% notes payable to bank	3,000,000(B)	3,000,000(B)
Various notes (6%-10%)	380,000	380,000
	$ 31,461,000	$ 31,461,000

(A) $6,281,000 of this amount is guaranteed by Occidental.

(B) Guaranteed by Occidental

other than prohibitions against unreasonable waste. Approximately 14% of Occidental's oil reserves, 37% of its gas reserves and all of its natural gas liquids reserves are subject to production prorationing. Approximately 36% of Occidental's natural gas reserves are subject to regulation by the Federal Power Commission.

Oil and Gas Exploration

Prior to 1965 Occidental operated joint ventures for exploration with other persons who contributed the greater share of the exploration funds. New joint venture programs with individual investor-participants have not been formed, and Occidental now primarily conducts exploration for its sole account or sometimes jointly with other oil companies. Exploration offices in the United States are maintained in Bakersfield, California; Denver, Colorado; Houston, Texas; and Lafayette, Louisiana. At December 31, 1965, Occidental controlled approximately 333,000 net acres of lands covered by oil and gas leases but not held by production in twelve states. In Canada, through its 65% interest in Petrochemicals, Occidental controlled approximately 254,000 acres net to Occidental at December 31, 1965, through lease, option, or permit in the provinces of Alberta, British Columbia, and Saskatchewan. Since that date Occidental has entered into a joint venture agreement with Petrochemicals providing for joint location, acquisition, and evaluation of new prospects with each party bearing 50% of the cost and with Petrochemicals as the operator. Both companies have agreed to contribute not more than $3,000,000 each in 1966 for Canadian oil and gas exploration; however, the aggregate amount of actual expenditures will depend upon the number and type of prospects acquired. Substantial acreage has been jointly acquired during 1966 and by June 1, 1966, two exploratory gas wells had been completed, one of which extended the Stoddart Field in British Columbia and the other one establishing a new gas field in Alberta; one exploratory well had been abandoned and one development well was being drilled. Occidental now maintains an exploration office in Calgary, Alberta, Canada to collaborate with Petrochemicals in this joint venture.

Occidental, through its wholly-owned subsidiary Occidental of Libya, Inc. ("Oxylibya"), maintains an exploration office in Tripoli, Libya, from which two concessions will be explored. Awarding of the concessions was announced on February 20, 1966, and the concession agreements were executed on March 29, 1966. Concession 102 (formerly Bid Block 42B) covers some 610 square miles. Its northern border is less than one mile from the Nefura Field, just being developed, and its western border is located less than two miles from the Rakb Field discovery well. The very important Amal and Gialo fields lie 14 miles to the northwest and 18 miles to the south respectively. Concession 103 (formerly Bid Block 44) covers approximately 728 square miles and is located approximately 10 miles westerly from Concession 102 at their closest points. The only operating pipeline in Libya with excess capacity serves the Amal Field northerly of both concessions. Total line capacity is 550,000 barrels daily and throughput by the end of 1966 is expected to be 150,000 barrels daily.

Both Libyan concessions were awarded under the Petroleum Law of 1955 and amendments thereto including the Royal Decree Law of November 1965. A one-eighth royalty is payable to the Libyan government and profits are subject to a 50% Libyan income tax. The royalty is payable on posted prices and taxes are payable on a base price which may vary from time to time depending on a discount factor established by the Libyan government applied to the posted price. In addition to the provisions of the law, Oxylibya has agreed to apply 2½% of its net profits after taxes to agricultural development, to conduct a feasibility study for the construction of an ammonia or urea plant to be financed 50-50 by Oxylibya and the Libyan government, and to

investigate the feasibility of utilizing in Libya Occidental's process for shipping perishables in a nitrogen atmosphere. (See last paragraph under "Fertilizers and Agricultural Chemicals").

Oxylibya will have 15 years to establish production on the concessions. A seismic survey was commenced in April, 1966, and it is expected that several exploratory wells will be started by July, 1966.

Fertilizers and Agricultural Chemicals

Occidental manufactures commercial fertilizers, agricultural and other heavy chemicals, fungicides, and pesticides in California, Illinois, Indiana, Michigan, Minnesota, North Dakota, Ohio, South Dakota and Texas and markets these products principally under the names "Best Fertilizers" in California, Oregon, Washington, New Mexico, Colorado, Nevada, Arizona, Texas, Louisiana, Oklahoma, and Kansas; "Green Belt Granulets" and "Super PDQ" in Indiana, Michigan and Ohio; "Bumper Crop" and "Golden Supreme" in Illinois and Indiana; and "Summers" and "Best on Earth" in Nebraska, Minnesota, North Dakota and South Dakota. These products are marketed through Occidental's own sales organization and through independent and partly owned distributors in farming and agricultural areas. Combined sales from these operations during the year ended December 31, 1965 were about $57,000,000.

Balanced fertilizers contain three basic nutrients: nitrogen, phosphorus and potassium. Nitrogen is available in the form of ammonia or urea. Phosphorus is available in the form of phosphoric acid, a derivative of phosphate rock (see "Phosphates"). Potassium is a derivative of potash. In addition, sulphur is an essential basic element used in the manufacture of commercial fertilizer and agricultural chemicals (see "Sulphur") and is used in the beneficiation of phosphate rock. Occidental has reserves of each of the foregoing materials, except potash, and is currently conducting exploration for potash in Tunisia (see "International Operations"). Apart from any reserves it may acquire, Occidental believes the supply of potash available for purchase is and will continue to be adequate for its needs (see "Potash").

Occidental owns 126 acres of industrial property at Lathrop, California, on which it owns and operates modern fertilizer and agricultural manufacturing, packaging and warehousing facilities and executive offices in a complex of buildings covering more than 250,000 square feet, including an anhydrous ammonia plant owned by Occidental's consolidated subsidiary, California Ammonia Co., a marketing corporation operating on a co-operative basis having approximately 1,375 farmer-shareholders in addition to Occidental which owns a 51% interest. The anhydrous ammonia plant has a design capacity of 300 tons per day. One-half of production of the plant is sold either as anhydrous ammonia or as aqua ammonia and one-half is used as raw material in the manufacture of fertilizers. The ammonia plant is operated and managed by Occidental for cost, plus a management fee of $1 per ton of ammonia produced. Storage capacity for 22,000 tons of anhydrous ammonia and 12,000 tons of aqua ammonia permits year-round ammonia production at or near capacity despite the fact that sales are seasonal. The complex also includes facilities capable of producing 600 tons per day of sulphuric acid, 80 tons per day of phosphoric acid P_2O_5, 250 tons per day of ammonium sulphate, 60 tons per day of urea solution, 250 tons per day of superphosphate or high analysis ammonium phosphates, 300 tons per day of complex pelleted fertilizers, 80 tons per day of liquid mix fertilizers and 200 tons per day of blended or impregnated specialty fertilizers. The facility also includes a phosphate rock grinding plant capable of grinding 400 tons of phosphate rock per day, a plant for the manufacture of nematocides and a formulating plant for a wide variety of agricultural chemicals.

DEFENDANT'S EXHIBIT 11

DESCRIPTION OF CAPITAL STOCK

All voting rights are vested in the holders of the Capital Stock and each share of Capital Stock is entitled to one vote, with the right to vote cumulatively at every election of directors.

Dividends may be paid upon the Capital Stock, as and when declared by the board of directors, out of funds legally available therefor. Loan agreements between Occidental and various lenders provide for restrictions on retained earnings available for payment of dividends other than stock dividends. As a result of such restrictions, consolidated retained earnings so restricted at December 31, 1965 was $8,531,000. See also "Description of Debentures — Restrictions as to Dividends and Certain Other Payments."

In the event of dissolution or liquidation of Occidental or upon any distribution of its assets, whether voluntary or involuntary, the holders of the Capital Stock then outstanding are entitled to share ratably in all assets of Occidental legally available for distribution after the payment of Occidental's outstanding obligations.

There are no conversion, pre-emptive, sinking fund or redemption provisions applicable to the Capital Stock. The Capital Stock is not liable to assessment or future calls.

Occidental's Capital Stock is listed on the New York, Pacific Coast and Toronto Stock Exchanges. The transfer agents are The Chase Manhattan Bank (National Association), New York, New York, Security First National Bank, Los Angeles, California and Canada Permanent Trust Company, Toronto, Ontario, Canada. The registrars are First National City Bank, New York, New York, Bank of America National Trust and Savings Association, Los Angeles, California and Montreal Trust Company, Toronto, Ontario, Canada.

UNDERWRITING

In the Underwriting Agreement, the Underwriters, represented by Lehman Brothers, Allen & Company Incorporated and Reynolds & Co., have agreed severally, subject to the terms and conditions therein set forth, to purchase from Occidental all of the Unsubscribed Debentures at the Subscription Price set forth on the cover page of this Prospectus plus accrued interest.

Occidental Petroleum Corporation has agreed to pay the Underwriters 1.25% of the entire principal amount of Debentures offered to shareholders hereby, plus an additional 1.00% of the principal amount of Unsubscribed Debentures if such principal amount shall exceed 10% of the principal amount of the Debentures. For the purpose of determining such additional commission, if any, Unsubscribed Debentures include Debentures acquired by the Underwriters through the purchase and exercise of Rights. The minimum underwriting discounts and commissions and maximum proceeds to Occidental shown on the cover of this Prospectus are based on the assumption that all of the Debentures offered hereby will be subscribed for by others than the Underwriters, and the maximum underwriting discounts and commissions and minimum proceeds to Occidental are based on the assumption that none of such Debentures will be so subscribed for.

The Underwriters have agreed to pay to Occidental 50% of the excess over the Subscription Price with respect to certain sales by the Underwriters of Debentures, after deducting costs and expenses, as more fully provided in the Underwriting Agreement.

DEFENDANT'S EXHIBIT 11

Any offering of Debentures by the Underwriters will be on a when-issued basis and subject to the acceptance by them of such Debentures.

The Representatives of the Underwriters have advised the Company that sales to certain dealers may be made at concessions of not in excess of 1% of the principal amount thereof and that Underwriters may allow and such dealers may re-allow a concession not in excess of ¼ of 1% of the principal amount thereof to other dealers.

Occidental has agreed to idemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

The names and addresses of the several Underwriters and the respective percentages of the Unsubscribed Debentures to be purchased by each of them are as follows:

Name	Address	Percentage to be Purchased
Lehman Brothers	One William Street, New York, N. Y. 10004	10.0%
Allen & Company Incorporated	30 Broad Street, New York, N. Y. 10004	10.0
Reynolds & Co.	120 Broadway, New York, N. Y. 10005	10.0
Bache & Co. Incorporated	36 Wall Street, New York, N. Y. 10005	2.0
J. Barth & Co.	404 Montgomery Street, San Francisco, Calif. 94104	0.7
Bateman Eichler, Hill Richards Incorporated	453 South Spring Street, Los Angeles, Calif. 90013	0.7
Bear, Stearns & Co.	1 Wall Street, New York, N. Y. 10005	1.0
Blyth & Co., Inc.	14 Wall Street, New York, N. Y. 10005	2.0
Boettcher and Company	828 Seventeenth Street, Denver, Colo. 80202	0.7
J. C. Bradford & Co.	414 Union Street, Nashville, Tenn. 37219	1.0
Alex. Brown & Sons	135 East Baltimore Street, Baltimore, Md. 21202	1.0
Brown, Lisle & Marshall, Incorporated	201 Turks Head Building, Providence, R. I. 02903	0.3
Butcher & Sherrerd	1500 Walnut Street, Philadelphia, Pa. 19102	0.3
Crowell, Weedon & Co.	629 South Spring Street, Los Angeles, Calif. 90014	0.5
J. M. Dain & Co., Inc.	110 South Sixth Street, Minneapolis, Minn. 55402	0.7
Dempsey-Tegeler & Co., Inc.	80 Pine Street, New York, N. Y. 10005	0.7
Drexel Harriman Ripley Securities Corporation	60 Broad Street, New York, N. Y. 10004	2.0
Francis I. du Pont, A. C. Allyn, Inc.	One Wall Street, New York, N. Y. 10005	1.0
Eastman Dillon, Union Securities & Co.	One Chase Manhattan Plaza, New York, N. Y. 10005	2.0
A. G. Edwards & Sons	409 North 8th Street, St. Louis, Mo. 63101	0.5
First California Company Incorporated	300 Montgomery Street, San Francisco, Calif. 94104	0.7
Funk, Hobbs, Hart & White, Incorporated	1012 National Bank of Commerce Building, San Antonio, Tex. 78205	0.5
Fusz-Schmelzle & Co., Inc.	522 Olive Street, St. Louis, Mo. 63101	0.3
Gairdner & Company Inc.	60 Wall Street, New York, N. Y. 10005	0.3
Robert Garrett & Sons, Inc.	South & Redwood Streets, Baltimore, Md. 21203	0.5
Glore Forgan, Wm. R. Staats, Inc.	45 Wall Street, New York, N. Y. 10005	2.0
Goodbody & Co.	2 Broadway, New York, N. Y. 10004	1.0
W. D. Gradison & Co.	408 Dixie Terminal Building, Cincinnati, Ohio 45202	0.3
Hallgarten & Co.	44 Wall Street, New York, N. Y. 10005	1.0
Hallowell, Sulzberger, Jenks & Co.	Philadelphia National Bank Building, Philadelphia, Pa. 19107	0.3
Hayden, Stone Incorporated	25 Broad Street, New York, N. Y. 10004	1.0
Hirsch & Co., Incorporated	25 Broad Street, New York, N. Y. 10004	0.7
Hornblower & Weeks-Hemphill, Noyes	8 Hanover Street, New York, N. Y. 10004	2.0
Howard, Weil, LaBouisse, Friedrichs and Company	211 Carondelet Street, New Orleans, La. 70130	0.3
E. F. Hutton & Company Inc.	One Chase Manhattan Plaza, New York, N. Y. 10005	2.0

DEFENDANT'S EXHIBIT 11

Name	Address	Percentage to be Purchased
Janney, Battles & E. W. Clark, Inc.	1401 Walnut Street, Philadelphia, Pa. 19102	0.3%
Hugh Johnson & Company, Inc.	1800 Rand Building, Buffalo, N. Y. 14203	0.3
Johnston, Lemon & Co.	Southern Building Washington, D. C. 20005	0.7
The Kentucky Company	320 South Fifth Street, Louisville, Ky. 40402	0.5
Kidder, Peabody & Co. Incorporated	20 Exchange Place, New York, N. Y. 10005	2.0
Kleiner, Bell & Co.	9756 Wilshire Boulevard, Beverly Hills, Calif. 90212	0.5
Kohlmeyer & Co.	217 Carondelet Street, New Orleans, La. 70130	0.3
Kuhn, Loeb & Co.	40 Wall Street, New York, N. Y. 10005	2.0
Ladenburg, Thalmann & Co.	25 Broad Street, New York, 10004	1.0
Laird, Bissell & Meeds, Inc.	120 Broadway, New York, N. Y. 10005	0.7
W. C. Langley & Co.	115 Broadway, New York, N. Y. 10006	1.0
Lazard Freres & Co.	44 Wall Street, New York, N. Y. 10005	2.0
Lee Higginson Corporation	20 Broad Street, New York, N. Y. 10005	1.0
Carl M. Loeb, Rhoades & Co.	42 Wall Street, New York, N. Y. 10005	2.0
Irving Lundborg & Co.	310 Sansome Street, San Francisco, Calif. 94104	0.5
S. D. Lunt & Co.	906 Marine Trust Building, Buffalo, N. Y. 14203	0.3
Mid-Continent Securities Co., Inc.	320 Central Building, Wichita, Kansas 67202	0.3
The Milwaukee Company	207 East Michigan Street, Milwaukee, Wis. 53202	0.5
Mitchum, Jones & Templeton Incorporated	510 South Spring Street, Los Angeles, Calif. 90013	1.0
Newburger & Co.	1401 Walnut Street, Philadelphia, Pa. 19102	0.5
New York Securities Co.	52 Wall Street, New York, N. Y. 10005	0.7
Paine, Webber, Jackson & Curtis	25 Broad Street, New York, N. Y. 10004	2.0
Paribas Corporation	40 Wall Street, New York, N. Y. 10005	2.0
Piper, Jaffray & Hopwood	115 South Seventh Street, Minneapolis, Minn. 55402	0.7
Prescott & Co.	900 National City Bank Building, Cleveland, Ohio 44114	0.5
Putnam, Coffin & Burr	64 Wall Street, New York, N. Y. 10005	0.5
Raffensperger, Hughes & Co., Inc.	20 North Meridian Street, Indianapolis, Ind. 46204	0.3
Reed, Lear & Co.	3100 Grant Building, Pittsburgh, Pa. 15219	0.3
L. F. Rothschild & Co.	120 Broadway, New York, N. Y. 10005	1.0
Roulston & Company, Inc.	1010 Euclid Avenue, Cleveland, Ohio 44115	0.3
Rutner, Jackson & Gray, Inc.	811 West 7th Street, Los Angeles, Calif. 90017	0.3
Salomon Brothers & Hutzler	Sixty Wall Street, New York, N. Y. 10005	2.0
Saunders, Stiver & Co.	One Terminal Tower, Cleveland, Ohio 44113	0.3
Scharff & Jones, Inc.	140 Carondelet Street, New Orleans, La. 70130	0.3
Schwabacher & Co.	100 Montgomery Street, San Francisco, Calif. 94104	0.7
Shearson, Hammill & Co. Incorporated	14 Wall Street, New York, N. Y. 10005	1.0
Shields & Company Incorporated	44 Wall Street, New York, N. Y. 10005	1.0
I. M. Simon & Co.	315 North Fourth Street, St. Louis, Mo. 63102	0.5
Smith, Barney & Co. Incorporated	20 Broad Street, New York, N. Y. 10005	2.0
Smith, Hague & Company	Penobscot Building, Detroit, Mich. 48226	0.3
Stein Bros. & Boyce, Inc.	One Charles Center, Baltimore, Md. 21201	0.5
Stern, Frank, Meyer & Fox Incorporated	325 West 8th Street, Los Angeles, Calif. 90014	0.7
Sutro & Co.	460 Montgomery Street, San Francisco, Calif. 94104	0.7
G. H. Walker & Co. Incorporated	45 Wall Street, New York, N. Y. 10005	1.0
Wertheim & Co.	1 Chase Manhattan Plaza, New York, N. Y. 10005	2.0
Wheat & Co. Inc.	801 East Main Street, Richmond, Va. 23211	0.3
Winslow, Cohu & Stetson Incorporated	26 Broadway, New York, N. Y. 10004	0.7
	Total	100.0%

DEFENDANT'S EXHIBIT 11

LEGAL OPINIONS

Counsel passing upon the legality of the Debentures offered hereby and the Capital Stock initially issuable upon conversion thereof are Messrs. Pillsbury, Madison & Sutro, 225 Bush Street, San Francisco, California 94104, for Occidental and Messrs. Simpson Thacher & Bartlett, 120 Broadway, New York, New York 10005, for the Underwriters.

EXPERTS

The financial statements and related schedules included in this Prospectus and elsewhere in the Registration Statement with respect to Occidental Petroleum Corporation and subsidiaries consolidated have been examined by Arthur Andersen & Co., independent public accountants, for the three years ending in 1963, 1964, and 1965, as stated in their opinions included in this Registration Statement, which opinions are based in part upon examinations by other public accountants with respect to certain subsidiaries. The consolidated financial statements and related schedules included herein and elsewhere in the Registration Statement with respect to S. V. Hunsaker & Sons, Inc. and subsidiaries have been examined by Arthur Andersen & Co. for the year ended September 30, 1963 and the two years ended December 31, 1964 and 1965, as stated in their opinion included in this Registration Statement; and, with respect to International Ore & Fertilizer Corporation and subsidiaries, have been examined by Arthur Andersen & Co., for the periods from December 11, 1963 (date of acquisition) to December 31, 1965, as stated in their opinion included in this Prospectus. Such financial statements and schedules as have been examined by independent public accountants, as stated herein, have been included in reliance upon the opinions, some of which are based in part upon examinations by other public accountants, of the respective firms given upon the authority of those firms as experts in accounting.

)-14 2050a 11/27/67

DEFENDANT'S EXHIBIT 14.

ALLEN & COMPANY INCORPORATED

Stockholder's

NAME

MURRAY R. LAVIN
F. WILLIAM HARDER
JAMES S. ABRAMS
MARVYN CARTON
IRVING KOERNER
HARRY MICHELS
FRANK BLAIR
BARTLETT PINKHAM
EDWARD PATTERSON
EDMUND M. BLEICH
HALSEY BREWSTER
PETER BROCHU
C. MERRITT COLEMAN
JOSEPH CORBY
AARON GELLER
ALLAN LOPATO (DECEASED)
LAWRENCE LYONS
HAROLD M. WIT
ALAN HIRSCHFIELD
ROLAND CRANDALL
STANLEY S. SHUMAN
RICHARD CROOKS
ALAN MCDOWELL
ANTHONY MANHEIM
WALTER O'HARA, JR.
PETER KRYSKO
BERNARD HOCK
ALBERT MACCARIO
MILTON FILENE
C. ROBERT ALLEN III
TERRY ALLEN KRAMER
BRUCE JAY ALLEN
HAROLD ALLEN, TRUSTEE FOR
HERBERT ANTHONY ALLEN
HAROLD ALLEN, TRUSTEE FOR
SUSAN ALLEN ROBERTS
CHARLES LOB
DONALD DOLAN

DEFENDANT'S EXHIBIT 15.

BY-LAWS
OF
ALLEN & COMPANY INCORPORATED

ARTICLE I

Offices

Section 1. **Principal Office.** The principal office of the corporation shall be located in the City of New York, County of New York, State of New York.

Section 2. **Other Offices.** The corporation may also have such other offices, either within or without the State of New York, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

Shareholders

Section 1. **Place of Meetings of Shareholders.** Meetings of shareholders may be held at such place, within or without the State of New York, as may be fixed by the board of directors.

Section 2. Annual Meeting of Shareholders. A meeting of shareholders shall be held annually, commencing in the year 1967, for the election of directors and the transaction of other business on the second Tuesday in January in each year, if not a legal holiday, in the place where the meeting is to be held, and if such a legal holiday, then on the next business day following, at 8:30 A.M.

Section 3. **Special Meetings of Shareholders.** Special meetings of the shareholders may be called by the board of directors or by the president or by the secretary and shall be called by the president or secretary upon the written request of a majority of the board of directors or upon the written request of the holders of not less than one-half of all outstanding shares entitled to vote on the action proposed to be taken. Such call or written request shall state the purpose or purposes of the proposed meeting. Business transacted at any special

DEFENDANT'S EXHIBIT 15

meeting shall be confined to the purpose or purposes for which the meeting is called.

Section 4. Fixing Record Date. The board of directors may fix, in advance, a date as the record date for the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action.

Section 5. Notice of Meetings of Shareholders. Written notice of every meeting of shareholders shall state the place, date and hour of the meeting and indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called. If, at any meeting, action is proposed to be taken which would, if taken, entitle shareholders fulfilling the statutory requirements to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect. A copy of the notice of any meeting shall be given, personally or by mail, not less than ten nor more than 50 days before the date of the meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice shall be deemed given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at his address as it appears on the record of shareholders, or, if he shall have filed with the secretary of the corporation a written request that notices to him be mailed to some other address, then directed to him at such other address.

Section 6. Adjourned Meetings. The shareholders present at a meeting of shareholders may adjourn the meeting despite the absence of a quorum. When a determination of shareholders entitled to notice of or to vote at any meeting of shareholders has been made, such determination shall apply to any adjournment thereof, unless the board of directors fixes a new record date for the adjourned meeting. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at

which the adjournment is taken, and at the adjourned meeting the corporation may transact any business that might have been transacted on the original date of the meeting. However, if after the adjournment the board of directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice.

Section 7. List of Shareholders at Meeting. A list of shareholders as of the record date, certified by the secretary or by the transfer agent, shall be produced at any meeting of shareholders upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meetings, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

Section 8. Quorum of Shareholders. The holders of a majority of the shares entitled to vote thereat shall constitute a quorum at a meeting of shareholders for the transaction of any business, provided that when a specified item of business is required to be voted on by a class or classes, the holders of a majority of the shares of such class or classes shall constitute a quorum for the transaction of such specified item of business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders. Despite the absence of a quorum, the shareholders present may adjourn the meeting.

Section 9. Proxies. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy must be signed by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except in those cases where an irrevocable proxy is permitted by law.

Section 10. Inspectors at Shareholders' Meetings. The board of directors, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof.

DEFENDANT'S EXHIBIT 15

If inspectors are not so appointed, the person presiding at a shareholders' meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint inspectors. If appointed on the request of one or more shareholders, the holders of a majority of shares present and entitled to vote thereat shall determine the number of inspectors to be appointed. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the board of directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. A report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

Section 11. Qualifications of Voters. Every shareholder of record shall be entitled at every meeting of shareholders to one vote for every share standing in his name on the record of shareholders.

Neither treasury shares nor shares held by another domestic or foreign corporation of any type or kind, if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares.

Shares held by an administrator, executor, guardian, conservator, committee, or other fiduciary, except a trustee, may be voted by him, either in person or by proxy, without transfer of such shares into his name. Shares held by a trustee may be voted by him, either in person or by proxy, only after the shares have been transferred into his name as trustee or into the name of his nominee.

DEFENDANT'S EXHIBIT 15

Shares held by or under the control of a receiver may be voted by him without the transfer thereof into his name if authority so to do is contained in an order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee.

Redeemable shares which have been called for redemption shall not be entitled to vote on any matter and shall be deemed not to be outstanding shares on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

Shares standing in the name of another domestic or foreign corporation of any type or kind may be voted by such officer, agent or proxy as the by-laws of such corporation may provide, or, in the absence of such provision, as the board of directors of such corporation may determine.

Section 12. **Vote of Shareholders.** Directors shall, except as otherwise required by law, be elected by a plurality of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election. Any other corporate action by vote of the shareholders shall, except as otherwise required by law, be authorized by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

Section 13. **Written Consent of Shareholders Without a Meeting.** Any shareholder action required or permitted to be taken by vote may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon.

ARTICLE III

Directors

Section 1. **Board of Directors.** The business of the corporation shall be managed by its board of directors.

DEFENDANT'S EXHIBIT 15

Section 2. Qualifications of Directors. Each director shall be at least 21 years of age. Directors need not be shareholders.

Section 3. Number of Directors. The number of directors constituting the entire board of directors shall be thirteen.

Section 4. Election and Term of Directors. At each annual meeting of shareholders, the shareholders shall elect directors to hold office until the next annual meeting. Each director shall hold office until the expiration of the term for which he is elected, and until his successor has been elected and qualified.

Section 5. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board of directors for any reason except the removal of directors without cause may be filled by vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring in the board of directors by reason of the removal of directors without cause may be filled only by vote of the shareholders. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor.

Section 6. Removal of Directors. Any or all of the directors may be removed for cause or without cause by vote of the shareholders.

Section 7. Quorum of Directors. A majority of the entire board of directors shall constitute a quorum for the transaction of business or of any specified item of business.

Section 8. Action by the Board of Directors. The vote of the majority of the directors present at a meeting of the board of directors at the time of the vote, if a quorum is present at such time, shall, except as otherwise provided by law, be the act of the board of directors.

Section 9. Place and Time of Meetings of the Board of Directors. The first meeting of each newly elected board of directors shall be held immediately following the annual meeting of shareholders and at the place thereof. Other meetings of the board of directors, regular or special, may be held at any place, within or without the State of New York.

DEFENDANT'S EXHIBIT 15

Section 10. Notice of Meetings of the Board of Directors. Regular meetings of the board of directors may be held without notice if the time and place of such meetings are fixed by the board of directors. Special meetings of the board of directors shall be held upon notice to the directors. The notice shall state the place, date and hour of the meeting and indicate that it is being issued by or at the direction of the person or persons calling the meeting. The notice shall be given personally (including telephone) or by mail, telegram, cable or other public instrumentality not less than forty-eight hours before the date of meeting, to each director. Such notice shall be deemed given, if mailed, when deposited in the United States mail, with postage thereon prepaid, or, if telegraphed, cabled, or sent by other public instrumentality, when given to the telegraph company, cable company, or other public instrumentality, directed to the director at his business address, or, if he shall have filed with the secretary of the corporation a written request that notices to him be mailed, or telegraphed, cabled or sent to some other address, then directed to him at such other address. The notice need not specify the purpose of any regular or special meeting of the board of directors.

Section 11. Executive Committee and Other Committees. The board of directors, by resolution adopted by a majority of the entire board of directors, may designate from among its members an executive committee and other committees, each consisting of 3 or more directors, and each of which, to the extent provided in the resolution, shall have all the authority of the board of directors, except that no such committee shall have authority as to the following matters:

(1) The submission to shareholders of any action that requires shareholders' authorization under law.

(2) The filling of vacancies in the board of directors or in any committee.

(3) The fixing of compensation of the directors for serving on the board of directors or on any committee.

(4) The amendment or repeal of the by-laws, or the adoption of new by-laws.

(5) The amendment or repeal of any resolution of the board of directors which by its terms may not be so amended or repealed.

DEFENDANT'S EXHIBIT 15

The board of directors may designate one or more directors as alternate members of any such committee, who may replace an absent member or members at any meeting of such committee. Each such committee shall serve at the pleasure of the board of directors.

Section 12. Interested Directors. No contract or other transaction between the corporation and one or more of its directors, or between the corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or are financially interested, shall be either void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of the board of directors, or of a committee thereof, which approves such contract or transaction, or that his or their votes are counted for such purposes:

(1) If the fact of such common directorship, officership or financial interest is disclosed or known to the board of directors or committee, and the board of directors or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested director or directors;

(2) If such common directorship, officership or financial interest is disclosed or known to the shareholders entitled to vote thereon and such contract or transaction is approved by vote of the shareholders; or

(3) If the contract or transaction is fair and reasonable as to the corporation at the time it is approved by the board of directors, a committee or the shareholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which approves such contract or transaction. The board of directors shall have authority to fix the compensation of directors for services in any capacity.

Section 13. Presumption of Concurrence. A director who is present at a meeting of the board of directors, or any committee thereof, at which action on the declaration of any dividend or other distribution in cash or property, the purchase of the shares of the

DEFENDANT'S EXHIBIT 15

corporation, the distribution of assets to shareholders after dissolution of the corporation without paying or adequately providing for all known liabilities of the corporation, excluding any claims not filed by creditors within the time limit set in a notice given to creditors under law, or the making of any loan to any director unless authorized by vote of the shareholders, is taken shall be presumed to have concurred in the action unless his dissent thereto shall be entered in the minutes of the meeting, or unless he shall submit his written dissent to the person acting as the secretary of the meeting before the adjournment thereof, or shall deliver or send by registered mail such dissent to the secretary of the corporation promptly after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action. A director who is absent from a meeting of the board or any committee thereof, at which such action is taken, shall be presumed to have concurred in the action unless he shall deliver or send by registered mail his dissent thereto to the secretary of the corporation or shall cause such dissent to be filed with the minutes of the proceedings of the board of directors or committee within a reasonable time after learning of such action.

Section 14. Reimbursement and Compensation of Directors. The directors may be paid their expenses of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of the executive committee or other committees may be allowed similar reimbursement and compensation for their services as such.

ARTICLE IV

Officers

Section 1. Number. The officers of the corporation shall be a chairman of the board, a vice chairman of the board, a president, one or more executive vice presidents, one or more senior vice presidents, one or more vice presidents, a secretary and a treasurer, each of whom shall be elected by the board of directors. Such other officers and assistant officers as the board of directors may determine may be

DEFENDANT'S EXHIBIT 15

elected or appointed by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation to be elected or appointed by the board of directors shall be elected or appointed annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the shareholders. Each officer shall hold office until the first meeting of the board of directors following the next annual meeting of shareholders, and until his successor has been elected or appointed and qualified.

Section 3. Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5. Chairman of the Board of Directors. The chairman of the board of directors shall be the chief executive officer of the corporation and shall preside at all meetings of the shareholders and of the board of directors. Subject to the board of directors, he shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect. He shall keep the board of directors fully informed and shall freely consult them concerning the business and property of the corporation. He shall make annual reports and submit the same to the board of directors in forms required by the directors, showing the condition of the affairs of the corporation, making such recommendations as he may deem proper. He shall perform such additional functions and duties as the board of directors may prescribe from time to time.

DEFENDANT'S EXHIBIT 15

Section 6. President. (a) The president in the absence of the chairman of the board of directors, or in the event that office shall be vacant, shall preside at all meetings of the shareholders and the directors. He shall also preside at any meeting of the executive committee or any committee of the board of directors, if the chairman of the board or the chairman of said committee is absent.

(b) He shall make annual reports and submit the same to the board of directors, in forms required by the directors, showing the condition of the affairs of the corporation, making such recommendations as he may deem proper.

(c) He shall sign and execute bonds, mortgages and other contracts in the name of the corporation when directed by the board of directors to do so. He, or a vice president, shall sign all stock certificates issued by the corporation which certificates shall be countersigned by the secretary or an assistant secretary.

Section 7. Vice Chairman of the Board of Directors. The Board may elect one or more Vice Chairmen of the Board of Directors. In the order of seniority based upon date of first election, any Vice Chairman of the Board of Directors shall, in the absence or disability of the Chairman of the Board of Directors and any Vice Chairman senior to such Vice Chairman, carry out and perform the duties and exercise the powers of the Chairman of the Board of Directors and shall, in addition, perform such other duties as may from time to time be delegated or assigned to him by the Board of Directors.

Section 8. Vice President(s). In the absence of the chairman of the board of directors, the vice chairman of the board of directors and president or in the event of their death, inability or refusal to act, the executive vice presidents, senior vice presidents and vice presidents in that order and in the order within each class designated at the time of their election, or in the absence of any designation (then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the authority of and be subject to all the restrictions upon the chairman of the board. Any vice president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, certificates representing shares of the corporation; and shall perform such other duties as from time to time may be assigned to him by the chairman of the board, vice chairman of the board or president or by the board of directors.

Section 9. Secretary. The secretary shall: (1) keep the minutes of the proceedings of its shareholders, board of directors, and executive committee and other committees, if any, in one or more books

DEFENDANT'S EXHIBIT 15

provided for that purpose; (2) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (3) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (4) file each written request by a shareholder that notices to him be mailed to some address other than this address as it appears on the record of shareholders; (5) sign with the chairman of the board, or the president, or a vice president, certificates representing shares of the corporation, the issuance of which shall have been authorized by resolution of the board of directors; (6) have general charge of the record of shareholders of the corporation; and (7) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors.

Section 10. Treasurer. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine. He shall: (1) have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of these by-laws; (2) have charge and custody of and be responsible for the keeping of correct and complete books and records of account of the corporation; sign with the chairman of the board, or the president, or a vice-president, certificates representing shares of the corporation, the issuance of which shall have been authorized by resolution of the board of directors; and (3) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board of directors.

Section 11. Assistant Secretaries and Assistant Treasurers. The assistant secretaries, when authorized by the board of directors, may sign with the chairman of the board, or the president or a vice-president, certificates representing shares of the corporation the issuance of which shall have been authorized by a resolution of the board of

DEFENDANT'S EXHIBIT 15

directors. The assistant treasurers shall respectively, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the board of directors. In the absence of the secretary or in the event of his death, inability or refusal to act, the assistant secretary (or in the event there be more than one assistant secretary, the assistant secretaries in the order of their appointment or as determined by the president or the board of directors), shall perform the duties and exercise the authority of the secretary. In the absence of the treasurer or in the event of his death, inability or refusal to act, the assistant treasurer (or in the event there be more than one assistant treasurer, the assistant treasurers in the order of their appointment or as determined by the president or the board of directors), shall perform the duties and exercise the authority of the treasurer.

Section 12. **Compensation of Officers.** The compensation of the officers shall be fixed from time to time by the board of directors and no officer shall be prevented from receiving such compensation by reason of the fact that he is also a director of the corporation.

ARTICLE V

Contracts, Loans, Checks and Deposits

Section 1. **Contracts.** The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. **Loans.** No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances. No loan shall be made by the corporation to any director unless it is authorized by vote of the shareholders, the shares of the director who would be the borrower not being shares entitled to vote for such purpose.

DEFENDANT'S EXHIBIT 15

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the board of directors may select.

ARTICLE VI

Certificates Representing Shares, Record of Shareholders, Transfer of Shares

Section 1. Certificates Representing Shares. The shares of the corporation shall be represented by certificates which shall be in such form as shall be determined by the board of directors. All such certificates shall be consecutively numbered or otherwise identified. Such certificates shall be signed by the chairman of the board of directors or the president or a vice president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and may, but need not, be sealed with the seal of the corporation or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or an assistant transfer agent, or registered by a registrar other than the corporation itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of issue. Each certificate shall state upon the face thereof: (1) that the corporation is formed under the laws of New York; (2) the name of the person or persons to whom issued; (3) the number and class of shares; and the par value of each share represented by such certificate or a statement that the shares are without par value.

Section 2. Lost, Destroyed or Wrongfully Taken Certificates. The board of directors may direct a new certificate or certificates to be

DEFENDANT'S EXHIBIT 15

issued in place of any certificate or certificates theretofore issued by the corporation, alleged to have been lost, apparently destroyed or wrongfully taken, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, apparently destroyed or wrongfully taken. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, apparently destroyed or wrongfully taken certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum and with such surety or sureties as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, apparently destroyed or wrongfully taken.

Section 3. Record of Shareholders. The corporation shall keep at its principal office, or at the office of its transfer agent in the State of New York, a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. The corporation shall be protected in treating the persons in whose names shares stand on the record of shareholders as the owners thereof for all purposes.

Section 4. Transfer of Shares. Upon surrender to the corporation or the transfer agent of the corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate to the person entitled thereto, and cancel the old certificate; every such transfer of shares shall be entered on the record of shareholders of the corporation.

ARTICLE VII

Fiscal Year

The fiscal year of the corporation shall be determined by resolution of the board of directors.

DEFENDANT'S EXHIBIT 15

ARTICLE VIII

Dividends

The board of directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its certificate of incorporation.

ARTICLE IX

Seal

The seal of the corporation shall be circular in form and contain the name of the corporation, the year when it was formed, and the words "Corporate Seal" and "New York". The corporation may use the seal by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

ARTICLE X

Waiver of Notice

Section 1. Waiver of Notice to Shareholder. Notice of meeting need not be given to any shareholder who signs a waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 2. Waiver of Notice to Director. Notice of a meeting need not be given to any director who signs a waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him. A waiver of notice need not specify the purpose of any regular or special meeting of the board of directors.

Section 3. Notice Dispensed with When Delivery Prohibited. Whenever communication to any shareholder or any director is unlawful under any statute of the State of New York or of the United States or any regulation, proclamation or order issued under said

DEFENDANT'S EXHIBIT 15

statutes, the giving of any notice to such shareholder or such director shall not be required and there shall be no duty to apply for license or other permission to do so.

ARTICLE XI

Amendment and Repeal

Section 1. Amendment and Repeal by the Shareholders. These by-laws may be amended or repealed by vote of the shareholders entitled to vote in the election of any directors, provided that the notice of meeting states such purpose.

Section 2. Amendment and Repeal by the Board of Directors. These by-laws may also be amended or repealed by the board of directors, provided that particular provisions of these by-laws may from time to time be specified by vote of the shareholders entitled to vote in the election of any directors as not subject to amendment or repeal by the board of directors.

DEFENDANT'S EXHIBIT 15

18

ARTICLE XII

RIGHT OF HOLDERS OF COMMON STOCK TO REQUIRE CORPORATION TO PURCHASE SHARES.

Section 1. Exercise of Right. Except as provided in Section 4 of this Article, in the event of the death or total disability of any holder of shares of Common Stock of the Corporation, or termination of employment with the Corporation, he, or his legal representative, shall have the right, upon three months' notice in writing to the Corporation given at any time after December 31, 1964, to require the Corporation to purchase all or any portion of the shares of Common Stock of the Corporation held by such holder, on the terms and subject to the restrictions, limitations, and conditions hereinafter prescribed in this Article, and whenever any such holder gives such notice as aforesaid, such holder shall be obligated to tender for sale to the Corporation, and the Corporation, subject to the provisions of Section 3 of this Article, shall be obligated to purchase from such holder, on the date three (3) months aft[illegible] the date of such notice or, if such date shall not be a full business day, on the next succeeding full business day, all of the shares of Common Stock of the Corporation specified in such notice.

DEFENDANT'S EXHIBIT 15

19

Section 3. Purchase Price and Manner of Payment. The price at which shares of Common Stock are to be purchased and sold pursuant to the provisions of this Article shall be computed at the net book value per share determined by the Corporation in the manner prescribed in Section 6 of Article Fourth (B) of the Certificate of Incorporation as heretofore amended, as of the close of the regular monthly accounting period next preceding a date sixty (60) days prior to the date on which the holder thereof is originally obligated to tender such shares. Such determination by the Corporation shall be conclusive and binding upon all holders of Common Stock of the Corporation. The purchase price shall be paid at the time of purchase in full in cash; provided, however, that the consideration to be paid may at the election of the Corporation be paid entirely in cash, entirely in evidence of indebtedness of the Corporation, or partly in cash and partly in such evidence of indebtedness, in such proportions as the Corporation may determine. Indebtedness of the Corporation, the evidence of which is included in the consideration paid for shares of Common Stock pursuant hereto, shall be subordinated to general creditors of the Corporation so that such indebtedness shall not be taken into account in computing the net capital of the Corporation for the purpose of determining compliance with any rule or regulation of

DEFENDANT'S EXHIBIT 15

the Securities and Exchange Commission, National Association of Securities Dealers, Inc., or any exchange of which the Corporation may be a member, shall bear interest at the rate of five percent (5%) per annum, and shall have a maturity date of not more than two (2) years from the date of issuance, all as determined by the Board of Directors of the Corporation, and the Corporation shall have the right of prepayment of all or any part thereof at any time without premium.

Section 3. Conditions under Which Corporation's Obligations May Be Postponed.

The Corporation shall not be permitted to purchase any shares tendered pursuant to the provisions of this Article on the date of tender unless as of such date (i) the Corporation has funds legally available to purchase all the shares tendered and all other shares that may have been tendered to the Corporation pursuant to this Article and not theretofore purchased by the Corporation, whether or not the obligation of the Corporation to purchase any or all of such shares has been postponed pursuant to the provisions of this Section 3, and (ii) the purchase of all the shares tendered and all such other shares would not be contrary to any provision then in effect of any constitution or any rule or regulation of any exchange, board of trade, clearing corporation, or similar institution on which the Corporation has membership privileges or any rule

DEFENDANT'S EXHIBIT 15

or regulation of the Securities and Exchange Commission or any other governmental agency having jurisdiction. If at the time shares are tendered pursuant to the provisions of this Article, the Corporation is not permitted to purchase such shares by reason of the foregoing provisions of this Section 3, the Corporation shall so advise the holder thereof in writing by first class registered mail to the holder's last known address, and the obligation of the Corporation to purchase such shares shall be postponed until such time as the provisions of this Section 3 permit such purchase and the purchase of all other shares, and, upon the provisions of this Section 3 permitting the Corporation to purchase such shares and all such other shares, the Corporation shall so advise the holder of such shares in writing in the manner aforesaid and thereupon each holder of such shares shall again be required to tender for sale to the Corporation, and the Corporation shall be required to purchase, such shares. Any evidence of indebtedness which the Corporation may issue, pursuant to the provisions of Section 2 of this Article, for shares tendered to it, shall provide that no payment thereof shall be made if (x) the Corporation does not have funds legally available for such payment and the payment of all indebtedness, the evidence of which was issued for the purchase of shares pursuant to the provisions of this Article, whether or not the payment of all or any part of such indebtedness has been postponed pursuant to the

provisions of this Section 3, or (y) payment of such indebtedness and all such other indebtedness would be contrary to any provision then in effect of any constitution or any rule or regulation of any exchange, board of trade, clearing corporation, or similar institution on which the Corporation has membership privileges or any rule or regulation of the Securities and Exchange Commission or any other governmental agency having jurisdiction, and such evidence of indebtedness shall provide further that in either such event the payment thereof shall be postponed until such time as the provisions of this Section 3 permit such payment and the payment of all such other indebtedness outstanding.

Section 4. Conflict with Rights of Corporation under Article Fourth (B) of the Certificate of Incorporation. Nothing contained in this Article shall be construed to limit in any way the rights of the Corporation under Article Fourth (B) of the Certificate of Incorporation as heretofore amended, and whenever the Corporation shall be entitled to purchase any shares of its Common Stock from a holder thereof upon the exercise of any right and option arising pursuant to the provisions of Section 1 of such Article Fourth (B), all rights and obligations both of such holder and the Corporation under this Article shall be suspended until either the Corporation shall exercise its right and option under such Article Fourth (B), in which case all such rights and obligations under this Article with respect to such shares shall cease and

terminate, or the Corporation shall have failed to exercise such right and option and the period for such exercise shall have expired, in which case, except as provided in Section 5 of this Article, all such rights and obligations under this Article with respect to such shares shall be reinstated as of the date of such expiration and be the same as they existed prior to the time when the right and option arose under such Article Fourth (B); provided, however, that in the event that a holder of shares of Common Stock of the Corporation, who has given notice pursuant to the provisions of Section 1 of this Article, dies prior to the time when the Corporation is obligated to purchase the shares of Common Stock of such holder specified in such notice, the legal representative of such holder shall continue to have all the rights and be subject to all the obligations arising pursuant to the provisions of this Article with respect to such shares that such holder would have had or been subject to, and the Corporation shall have no right and option under the provisions of paragraph (2) of Section 1 of Article Fourth (B) of the Certificate of Incorporation with respect to such shares by reason of the death of such holder.

Section 5. Disposition by Holder of Shares Which Corporation is Obligated to Purchase. The giving of notice by a holder of Common Stock pursuant to the provisions of Section 1 of this Article shall not operate

to prevent such holder from disposing of the shares specified in such notice in accordance with paragraph (b) of Section 1 of Article Fourth (B) of the Certificate of Incorporation, but all rights and obligations both of the holder and of the Corporation arising under this Article as a result of such notice shall cease and terminate in the event that such shares are sold, assigned, transferred or otherwise disposed of by the holder thereof to any person or persons other than the legal representative of such holder, which representative shall have all the rights and be subject to all the obligations arising pursuant to the provisions of this Article that such holder would have had or been subject to. Nothing contained in this Section 5 shall be construed to in any way impair the rights of any such legal representative under paragraph (b) of Section 1 of Article Fourth (B) of the Certificate of Incorporation.

Section 6. Designation by Corporation of Other Purchasers and Consideration to be Paid by Them. Any obligation of the Corporation to purchase any shares of Common Stock of any holder thereof pursuant to the provisions of this Article shall be satisfied by any person or persons designated by the Corporation, satisfactory to those exchanges, boards of trade, clearing corporations, or similar institutions on which the Corporation has membership privileges whose approval of a holder of such shares is required, purchasing such shares and paying in

DEFENDANT'S EXHIBIT 15

cash the purchase price which the Corporation would otherwise be obligated to pay for such shares.

Section 7. Waiver by Corporation. The Corporation, in any particular case or cases, may waive all or any part of any one or more of the provisions of this Article, but any such waiver shall apply only to the case or cases wherein such provisions are expressly waived and no such waiver shall be construed to apply to any other case or cases; provided, however, that the Corporation may not waive the provisions with respect to the time and manner of determining the net book value of the shares being purchased or any other provision if the carrying out of the transaction contemplated by the waiver would be contrary to law or to any provision then in effect of any constitution or any rule or regulation of any exchange, board of trade, clearing corporation, or similar institution on which the Corporation has membership privileges, or any rule or regulation of the Securities and Exchange Commission or any other governmental agency having jurisdiction, and in no event is the Corporation to pay more or less than the net book value of the shares being purchased pursuant to this Article.

DEFENDANT'S EXHIBIT 15

26

ARTICLE XIII

VALUATION OF CAPITAL STOCK FOR REPURCHASE

Section 1. When a stockholder sells his stock to the Corporation, pursuant to any provisions of the Certificate of Incorporation or the By-Laws, the computation of the net book value as prescribed in Section 6 of Article FOURTH (B) of the Certificate of Incorporation shall be made in the following manner as to securities held in inventory or investment position:

(a) Marketable Securities. Marketable securities will be marked to market, less reserves for taxes on unrealized appreciation.

(b) Investment Securities. Unregistered securities held for investment which are part of a class having a market value will be valued at one-half the market, less a reserve for taxes on unrealized appreciation.

(c) Unmarketable Securities. In the case of unmarketable securities, the Corporation and the selling stockholder should try to arrive at an agreed upon price. If an agreement cannot be reached, the security shall be excluded from the computation. After the securities are excluded from book value, the proportionate number or amount attributable to the shares of the selling stockholder shall be set aside for him. The net proceeds of the sale or disposition of the securities so set aside shall be paid to the selling stockholder when and as sold or disposed of by the Corporation.

DEFENDANT'S EXHIBIT 15

27

ARTICLE XIV

REPURCHASE OF SHARES ON RETIREMENT OF A STOCKHOLDER

Section 1. On November 30 of each fiscal year, any shareholder who has reached age 65 or over shall tender his shares back to the Corporation at the price determined in accordance with the general formula for acquisitions by the Corporation.

Section 2. The Board can elect to defer the purchase of the shares for a period of one year, and thereafter for additional years on a year to year basis.

Section 3. At such time, upon the original tender or at the end of the extended period, the Corporation will purchase the shares in accordance with the valuation established by the general formula.

Section 4. After the shares have been reacquired by the Corporation, the selling stockholder will be entitled to receive each year for life (but not more than 15 years nor less than 5 years) an amount equal to the percentage of the equivalent of aftertax operating profits of the Corporation in each such year equal to the percentage of the Corporation's capital stock which the stockholder sold to the Corporation, each percentage to be calculated annually. In no event shall the amount paid in any year to the selling stockholder exceed $50,000 less any amount received from the Allen & Company or Allen & Company Incorporated Pension Plan.

2078a

DEFENDANT'S EXHIBIT 17.

ALLEN & COMPANY

Established 1922

30 Broad Street New York 4, N. Y.

Financial Statement

July 31, 1965

2079a

DEFENDANT'S EXHIBIT 17

ALLEN & COMPANY

Investment Bankers

Statement of Net Worth

JULY 31, 1965

2080a

DEFENDANT'S EXHIBIT 17

ALLEN & COMPANY

Statement of Net Worth

JULY 31, 1965

ASSETS		LIABILITIES		
Cash	$ 2,529,174	Collateralized bank loans		$ 3,674,840
Investments (Note 1)	53,180,013	Open items with brokers		1,979,309
Open items with brokers	1,777,417	Securities short – at market		140,713
Receivables, loans, advances, etc.	1,271,384	Reserve for State and City taxes		1,693,811
Other assets, equipment, etc.	156,563	Other current liabilities		651,795
		Due to limited partners		574,083
		Capital reserve for contingencies	$ 1,500,000	
		Partners' capital	48,500,000	
		Net Worth		50,000,000
	$58,914,551			$58,914,551

NOTE

NOTE 1. Approximately 92% of investments are securities valued at market, with appropriate discounts for large blocks. The balance represents other investments valued at cost.

CONTINGENT ITEMS

Advances by bank against drafts receivable, securities attached (these drafts were all collected during August, 1965)	$ 305,731
Contingent liability on notes, guaranteed loans and discounted loans	$1,950,424

Reserve for contingencies is deemed adequate to provide for contingencies of a reasonably definite nature.

DEFENDANT'S EXHIBIT 17

ACCOUNTANTS' CERTIFICATE

We have examined the balance sheet of Allen & Company as of July 31, 1965, in accordance with the audit regulations of the Securities and Exchange Commission. In our opinion, the above statement presents fairly the position of Allen & Company at July 31, 1965.

Katz, Zuckerman & Company

KATZ, ZUCKERMAN & COMPANY
Certified Public Accountants

New York, N. Y.
September 15, 1965

2082a

DEFENDANT'S EXHIBIT 18.

ALLEN & COMPANY

Established 1922

30 Broad Street New York, N.Y. 10004

Financial Statement

July 31, 1966

DEFENDANT'S EXHIBIT 18

ALLEN & COMPANY

Investment Bankers

Balance Sheet

JULY 31, 1966

DEFENDANT'S EXHIBIT 18

ALLEN & COMPANY

Balance Sheet

JULY 31, 1966

ASSETS		LIABILITIES		
Cash	$19,266,097	Collateralized bank loans		$ 508,136
Investments (Note 1)	39,554,732	Open items with brokers		4,449,991
Open items with brokers	4,661,866	Securities short—at market		52,577
Receivables, loans, advances, etc.	1,018,402	Reserve for taxes		7,400,000
Other assets, equipment, etc	136,875	Other current liabilities		1,334,733
		Due to limited partners		371,745
		Capital reserve for contingencies	$ 1,500,000	
		Partners' capital	49,022,740	
		Net Worth		50,522,740
	$64,637,972			$64,637,972

NOTE

NOTE 1. Approximately 97% of investments are securities valued at market, with appropriate discounts for large blocks. The balance represents other investments valued at cost.

CONTINGENT ITEMS

Advances by bank against drafts receivable, securities attached (these drafts were all collected during August, 1966)	$364,368
Contingent liability on notes and guaranteed loans	$927,603

Reserve for contingencies is deemed adequate to provide for contingencies of a reasonably definite nature.

DEFENDANT'S EXHIBIT 18

ACCOUNTANTS' CERTIFICATE

We have examined the balance sheet of Allen & Company as of July 31, 1966. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records relating to the assets and liabilities as of that date and such other auditing procedures as we considered necessary in the circumstances. Our examination complied with the audit regulations of the Securities and Exchange Commission.

In our opinion, the above balance sheet presents fairly the financial position of Allen & Company at July 31, 1966, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Katz, Zuckerman + Company

KATZ, ZUCKERMAN & COMPANY
Certified Public Accountants

New York, N. Y.
September 14, 1966.

DEFENDANT'S EXHIBIT 26.

LIBYAN PETROLEUM LAW

No 25 OF 1955 AS AMENDED BY :

1 - ROYAL DECREE ISSUED ON MAY 21 St. 1955
2 - ROYAL DECREE ISSUED ON JUL. 3 RD. 1961
3 - ROYAL DECREE ISSUED ON JUL. 9 TH. 1961
4 - LAW No 6 OF 1962 ISSUED ON APRIL 26,1962
5 - LAW No 6 OF 1963 ISSUED ON JUL. 16,1963
6 - ROYAL DECREE ISSUED ON NOV. 20 TH. 1965

REVISED By:
IBRAHIM MOH. HANGARI

PUBLISHER
LIBYAN ADVERTISING & PUBLISHING
ESTABLISHMENT (LIAD)

DEFENDANT'S EXHIBIT 26

INTRODUCTION

In the Name of God the compassionate, the Merciful.

The first legislation regulating the oil affairs in the Kingdom of Libya was issued on the 21st April 1955. A previous legislation dealing with mining issued on 1953 was prevailing by then, entitled: «The Mining Law» No. 9 for 1953. However the application of this law in respect to petroleum was cancelled upon the issue of the Petroleum Law for 1955 as referred to above.

The first Libyan Petroleum Law included certain provisions which were considered most encouraging, a matter which induced several International Oil Companies to apply for oil concession and proceed to explore oil in the Libyan soil. Fifty-one oil Concessions were granted to 17 Companies during the first year following the issue of the said Petroleum Law.

Exploration Operations were thus carried out in Libya in a most astonishing manner. The famous Zeltin oil field was discovered in 1959, namely in less than five years after the issue of the Libyan Petroleum Law. Discoveries followed constantly leading to the fact that Libya soon became one of the oil producing and exporting Countries. On 25th October 1961, Libya celebrated the exportation of the first consignment of our crude oil to the world markets. The Celebration which took place in Mersa Brega oil port of the Esso Standard Libya Inc. were honoured by the presence of Our beloved Lord His Majesty King Idris I, may God preserve him.

It was obvious that the motives behind the issue of the Petroleum Law for 1955 was to induce largest number of Oil Companies to come into Libya and carry out their oil activities thereon, since no one was absolutely assured that the Libyan soil embodies within its layers such a tremendous savings of Black Gold.

DEFENDANT'S EXHIBIT 26

Now that oil has become of realistic existance, it has been deemed necessary that the Libyan Government amends the libyan oil legislation in compliance with the development of Oil Industry in Libya.

The following amendments have — as far — been introduced to the original Petroleum Law of 1955 : —

1. The Royal Decree issued on 21st May 1955
2. The Royal Decree issued on 3rd July 1961
3. Thee Royal Decree issued on 9th Nov. 1961
4. Law No. (6) of 1962 issued on 26th April 1962
5. Law No. (6) of 1963 issued on 16th July 1963
6. The Royal Decree issued on 20th Nov. 1965

As regards the first amendment, a merely formal matter was concerned dealing with the effective date of the Petroleum Law for 1955, whereas the original text of Paragraph (1) of Article 25 of the said law stated as follows : —

«This Law shall be entitled (The Petroleum Law for 1955) and shall come into effect thirty days after the date of its publication in the Official Gazzette».

The above paragraph was thus amended by the insertion of the following clause thereto : —

«Except for Articles 2 and 24 which shall be effective as from the date this Law is issued».

The first major amendment effected to that Law was included in the Royal Decree issued on 3rd July 1961, whereby Article 2, 7 and 8, also paragraph (1) of Article 9, articles 10, 12, 13, and 14, in addition to paragraph (1) of article 16 and articles 17 and 24 of the original law were all amended. Paragraph (9) of Article (9) was completely deleted. Paragraph (12) of Schedule I, «reconiscence permits» was also amended so as to include a provision prohibiting denouncement of permits without the approval of the Petroleum Commission, which might impose any terms and conditions that might be deemed appropriate to the public interest. Items 6, 7, 8, and paragraph (2) of clause (9), also paragraph (1) of clauses 10, 25, 28 and 30 of Schedule II, covering the concession agreement were also amended so as to comply with the new provision of the amended law.

DEFENDANT'S EXHIBIT 26

The most important matter dealt with by virtue of the Royal Decree issued on 3rd July 1961, amending certain provisions of the Petroleum Law for 1955 were : —

Firstly : —

The petroleum commission has been authorised to decide upon the different conflicting applications for oil concessions in Libya. The said authority was not strictly defined in the original text, whereas it was provided that conflicting companies may settle their applications there between within a period of thirty days or more, otherwise the Petroleum commission would carry out intermediate negotiations between them.

Secondly : —

It has included provisions stipulating the basis for the surrender of a concession area in accordance with the provisions of the law. The new provision introduces a better assurance of the interests of the Libyan side.

Thirdly : —

The increase of the concession fees and surface rentals thereof in a considerable manner compared with the fees and rentals stipulated in the original law.

Fourthly : —

The omission of the Compensation subsidieries and the inc rease of the Libyan Government's revenues to almost 50% of the profits.

The Government, in an attempt to induce concession holders to amend their concession agreements in compliance with the provisions of these amendments as included in the validity of the concession period — in respect of all Oil Companies approving the amendments — by a period equivalent to that between the date the concession agreement was awarded and the effective date of the Royal Decree. Furthermore, it prohibits the award of any new oil concession to any concession holder unless such a concession holder undertakes to amend his concession in accordance with the provisions of this Royal Decree.

As regards the Royal Decree of 9th November 1961 it included the insertation of two new articles, namely 5 bis and 5 bis a. to

DEFENDANT'S EXHIBIT 26

the Royal Decree of the 3rd July 1961, also the amendment of paragraph (6) of Article 14 and clause 8 of the Schedule II annexed there in addition to the amendment of clause 16 of Schedule II.

Law No. (6) for 1962 included a partial amendment concerning the competences of the Petroleum Commission and its powers, following the establishments of the Ministry of Petroleum Affairs. (The former Petroleum Commission was previously supervised by the Minister of National Economy). Certain authorities were granted to the minister including his assignment of a representative to attend the Commission's meetings, also that he may approve or disapprove to its resolution and the authority to appoint a director to Petroleum Affairs.

Law No. (6) for 1963, did not include any provision relating to the contractual right of concession holders since it included a merely proceedural amendment namely the cancellation of the Petroleum Commission and the reference of all its assets and liabilities to the recently established Ministry of Petroleum Affairs. This amendment has been reflected by the amendment to the Libyan Kingdom Constitution, whereby the Federal system, justifying the existance of the Petroleum Commission has been omitted.

The second basic amendment effected on the Libyan oil legislation was the one introduced by the Royal Decree issued on 20th November 1965, which is considered the most important amendment ever affected.

By virtue of this Royal Decree, Libya applied the (Opec) formula settlement of expencing Royalty, thus replacing the «Realized prices basis by the posted prices basis. This would bring the land of Petroleum industry in Libya to the level achieved by Middle East Countries members of the Petroleum exporting countries Organization (Opec).

A summary of the major provisions included in the said Royal Decree are mentioned herein : —

1. The expensing of Royalty, thus Royalty is included in the expenditures of the concession holder rather than being considered a down payment as from the Government's share of Profits.
2. Marketing expenses are limited to 1/2 u. s. cent only per barrel. Such expenses were included in the discounts offered by

DEFENDANT'S EXHIBIT 26

the Company to meet competition in oil market.

3. Discounts of the posted prices were fixed so as not to exceed 7 1/2% for the year 1965 and 6 1/2% in respect of the year 1966.
4. All oil Companies would receive equal treatment. No Company shall be allowed to enjoy a better position than the others in respect of payments of taxes.
5. The application of the International Law principles in Arbitration.
6. Settlement of the outstanding financial disputes between the Libyan Government and the concession holder prior to the effective date of the new law. (1st January 1965).
7. Regulating of the basis governing the purchase by the Libyan Government of crude oil from the Company whereas the Government would be treated as a third party, also the determination of the quantities of crude oil that the Government may purchase from the Company.
8. No new concessions shall be granted to a Company in possession of concessions in Libya granted before the issue of this Royal Decree unless such a Company approves to amend its concession agreements in accordance with the new provisions of the Royal Decree referred to.

I have the pleasure to provide to those concerned in the Petroleum Industry and especially in Libya, a complete revised copy of the Libyan Petroleum Law comprising the various amendments, which have been very carefully revised. In preparing this copy I have observed the following basis : —

1. Reference to Petroleum Law of 1955 in its original text.
2. The insertion of the amendment in the original text of the law in the manner whereby such amendments were introduced in the Royal Decrees and laws issued thereafter amending certain provisions of the Petroleum Law. No. 25 for 1955. The text is thus amended wherever required, omitted wherever omission is stipulated, and inserting a new paragraph wherever it is so mentioned.
3. The new articles included in the different amendments of the original law, which are added thereto are placed in turn at

the end of this book for easy reference.

Thus the reader will find in this book, the Libyan Petroleum Law in its latest text comprising the various amendments affected thereupon. One important feature of this book is that it provides an easy reference. A reader may refer to any provision of the Libyan Petroleum Law in this book without having to come through all the other amendments.

In order to ensure the full benefit of this book, I have included therein the complete English version of the Law, which introduces a careful and precise translation from the Arabic text of the provisions of the Law. In preparing the English copy of this book, I have depended upon the official English text of law as issued by the competent authorities in the Libyan Government.

I do sincerely hope that Oilmen concerned about Petroleum Industry and especially in Libya may find this humble effort as useful.

May God guide us to the best.

Ibrahim Hangari

Tripoli Dec. 5, 1965

DEFENDANT'S EXHIBIT 26

PETROLEUM LAW No. 25 OF 1955 IN ITS LATEST FORM AS AMENDED BY ROYAL DECREE LAW ISSUED ON 20TH NOVEMBER 1965 AND PUBLISHED IN THE OFFICIAL GAZETTE ON 22ND NOVEMBER 1965

The Senate and the House of Representatives have passed the following Law, which,
WE, IDRIS THE FIRST, King of the United Kingdom of Libya, have sanctioned and do hereby promulgate : —

ARTICLE 1

Petroleum Property of State

(1) All petroleum in Libya in its natural state in strata is the property of the Libyan State.
(2) No person shall explore or prospect for, mine or produce petroleum in any part of Libya, unless authorized by a permit or concession issued under this Law.

ARTICLE 2

«High Council of Petroleum Affairs»

(1) A Council shall be formed in the Ministry of Petroleum Affairs under the name «High Council of Petroleum Affairs,» consisting of :

a) Minister of Petroleum Affairs — Chairman
b) Minister of Finance — Member
c) Minister of National Economy — Member
d) Minister of Planning and Development — Member
e) Minister of Industry — Member
f) Governor of the Bank of Libya — Member
g) Three Members with experience in fields of Petroleum Affairs or Finance or Economy or Industry or Law. They

will be appointed by the Council of Ministers for two years renewable. The same decision shall fix their remuneration.

The Council may ask for the help of any of those whose opinion or experience may be required.

(2) The High Council for Petroleum Affairs shall be concerned with :

a) Studying petroleum policy within the State's General policy.

b) Studying the best means for preserving and exploiting the oil wealth.

c) Expressing views on drafts of laws and regulations related to Petroleum Affairs, as well as on matters which the Minister of Petroleum Affairs may present to the Council.

d) Expressing views on the granting of permits for exploration and on the surrender of concession areas.

e) Expressing views on granting or cancelling concessions, accepting or surrendering them up, and on the decisions to recourse in arbitration, and on fixing the time for opening the applications for concessions.

(3) Matters in Paragraphs «d-e» should be passed to the Council of Ministers for approval before any final decision is taken on them.

ARTICLE 3

Petroleum Zones

For the implementation of this Law the Libyan territory will be divided into four petroleum sections :

Section 1 includes the regions of Tripoli, the Western Mountains, Zavia, Homs and Misurata.

Section 2 includes the regions of Benghasi, Green Mountain, Derna, which are north latitude 28.

Section 3 includes the regions of Benghazi, Green Mountain and Derna, south of latitude 28.

Section 4 includes the regions of Sebha and Ubari

ARTICLE 4

Boundaries

(1) This law shall extend to the seabed and subsoil which lie be-

DEFENDANT'S EXHIBIT 26

neath the territorial waters and the high seas contiguous thereto under the control and jurisdiction of the United Kingdom of Libya. Any such seabed and subsoil adjacent to any Zone shall for the purpose of this Law be deemed to be part of that Zone.

(2) If there is doubt as to the boudary of any Zone the Ministry of Petroleum Affairs shall determine the boundary of such Zone for the purposes of this Law only; and if by reason of such determination it becomes necessary for the applicant to amend his application, or to make a new application, he shall be allowed one month to do so after receipt of a request so to do, without loss of priority.
(3) If a subsequent determination of the boundaries leads to an adjustment of the boundaries as determined by the Ministry of Petroleum Affairs, such adjustment shall not affect the validity or extent of permits or concessions granted within the area or areas affected by the adjustment.

ARTICLE 5

Eligible Applicants

(1) The Ministry of Petroleum Affairs shall consider applications for permits or concessions submitted by eligible applicants only, and in determining the eligibility of any applicants the Ministry of Petroleum Affairs shall have regard to the following :

a) - The furtherance of the public interest.
b) (i) The applicant's compliance with relevant Laws and Regulations.

(ii) his previous activities in the petroleum industry.
(iii) his previous experience in the conduct of similar operations.

(iv) his financial and technical capacity to conduct the contemplated operations.

(2) In determining the eligibility of an applicant who is a subsidiary of a company or a member of a group of companies, there shall be taken into consideration the possession of the aforesaid qualifications by the parent company or group of companies of which he is a member and the extent of the availability to the applicant of such qualifications.

DEFENDANT'S EXHIBIT 26

ARTICLE 6

Permits

(1) Applications for permits shall be submitted in triplicate to The Ministry of Petroleum Affairs which shall forward a copy to the Minister. Separate applications shall be submitted in respect of each petroleum zone.

(2) The applications shall show the area the applicant desires to work, and contain short particulars in respect of the matters referred to in Article 5 of this Law. The applicant shall, at the request of the Ministry of Petroleum Affairs, furnish any further relevant information. All information submitted under this paragraph shall be treated as confidential.

(3) The Ministry of Petroleum Affairs may grant a permit in the form set out in the First Schedule to this Law and not otherwise, provided that the permit may contain such minor non--discriminatory variations as may be required to meet circumstances of any particular case.

(4) Such a permit may be granted in respect of any area and shall entitle the holder thereof to carry out the operations permitted therein within the specified area and in accordance with the terms of the permit; provided however, that nothing in this paragraph shall entitle the holder of the permit to impede in any way the work of any concession holder, or to enter into prospecting and development sites without the express permission of the concession holder.

(5) The grant of a permit does not of itself entitle the holder thereof to a concession in respect of any area.

(6) A permit shall be granted on payment of the fee specified in the First Schedule hereto.

(7) A permit may be granted for a period of one year and may be renewed on payment of the specified fee.

ARTICLE 7

Applications for Concessions

(1) The Ministry of Petroleum Affairs shall announce from time to time by notice published in the local and world Press the areas in

DEFENDANT'S EXHIBIT 26

respect of which concessions may be applied for.

(2) The Ministry of Petroleum Affairs shall by notice published in the local and world Press invite those who wish to apply for concessions in the areas mentioned in paragraph (1) of this Article to submit their applications in triplicate in a sealed envelope delivered to the Main Offices of the Ministry of Petroleum Affairs. The Ministry of Petroleum Affairs shall fix a closing time and date for the delivery of the applications and shall not consider any application which is delivered after such time and date.

(3) The Ministry will invite registed mail applicants for concessions to send a representative to the Ministry's offices on a fixed day and hour to attend the opening of the applications for concessions. If the representative of the applicant fails to attend at the fixed hour and date this shall be considered as a refusal of invitation. Applications will be opened by those entrusted by the Ministry to do so in the presence of the applicants who accepted the invitation. The first copy of each application will be signed by those entrusted to open them and by the representatives of the applicants who accepted the invitation.

(4) It shall not be permissible to amend or vary an application after it has been opened and signed as mentioned in paragraph (3) hereof.

(5) The Ministry shall send a copy of each application to the Minister.

(6) Each application shall contain short particulars in respect of the matters referred to in Article 5 of this Law. The applicant shall, at the request of the Ministry of Petroleum Affairs, furnish any further relevant information which may be required by the Ministry and which relates to his application. All information supplied under this paragraph shall be treated as confidential.

(7) The applicant may include in his application particulars of any economic and financial benefits and advantages and other things which he is willing and able to offer in addition to those stated in this Law and the Second Schedule hereto.

ARTICLE 8

Conflicting Applications

In the event of more than one application being submitted for a concession over the same area the Ministry of Petroleum Affairs

DEFENDANT'S EXHIBIT 26

shall have absolute discretion as to which application to accept. In making its decision the Ministry shall take into account such additional economic and financial benefits and advantages and other things mentioned in paragraph (7) of Article 7 of this Law as are offered in the applications.

ARTICLE 9

Grants of Concessions

(1) The Ministry of Petroleum Affairs shall grant concessions in the form set out in the Second Schedule to this Law. The Ministry may include in these concessions any additional benefits and advantages which are offered by the applicant under paragraph (7) of Article 7 of this Law, provided that such additions shall not contain conditions or terms that reduce any of the rights, benefits or privileges to which the Ministry is entitled under the terms of this Law and the Second Schedule hereto.

(2) Before the grant of a concession, the Ministry of Petroleum Affairs may require the applicant to furnish a written undertaking to abstain from all political activities in Libya.

(3) An applicant may be required before the grant of a concession to deliver to the Ministry of Petroleum Affairs a guarantee by way of bond or banker's guarantee in a sufficient sum not exceeding fifty thousand Libyan pounds (£L.50,000) to secure the due performance of his obligations under all concessions held by him in Libya. Such bond or Banker's guarantee shall be maintained at a constant figure throughout the life of the concession, and such bond or Banker's guarantee shall be accepted by the Director of Customs in lieu of any bond he may require under the Customs Law.

(4) Concessions shall be granted for the period of time requested by the applicant provided that such period shall not exceed (50) years. A concession may be renewed for any period such that the total of the two periods does not exceed sixty (60) years.

(5) No concession may be granted in respect of any area included in any existing concession granted hereunder.

(6) The Ministry of Petroleum Affairs may however, grant concessions covering adjoining areas lying in two or more Zones.

(7) The boundaries of every concession granted hereunder shall

conform as fair as possible to the grid lines of the official map of the Ministry.

(8) The maximum number of concessions and the total areas which may be held at onetime by any person are as follows :

a) Three concessions in each of the First and Second Zones and four concessions in each of the Third and Fourth Zones provided that :

(i) the Ministry may grant concessions in excess of the maximum number permitted hereunder and shall give reasonable consideration to applications submitted for that purpose;

(ii) no concession in which there is an oil or gas well shall be included in computing the number of concessions held by a concession holder ;

b) 30,000 square kilometres in each of the First and Second Zones and 80,000 square kilometres in each of the Third and Fourth Zone.

(9) The concession holder shall have the right to enter and occupy free of charge for the purpose of his operations under any concession granted under this Law and land within the concession area other than private land, provided it is not then in the lawful occupation of some person.

(10) If the concession holder fails to agree with a private landowner or lawful occupier of other than private land as to the terms on which he may enter and occupy the land in question the concession holder shall immediately notify the Director. If the occupation is to be of a temporary nature, not exceeding one year, the Director shall authorise such temporary occupation upon deposit by the concession holder with the Ministry of Petroleum Affairs of a sum by way of reasonable compensation to such landowner or lawful occupier for loss of use of and damage to the interest in the land as the Director shall determine. If the occupation is to be for a longer period than one year the Ministry shall authorise occupation by the concession holder of the land in question upon deposit by the concession holder with the Ministry of such sum by way of reasonable compensation as the Ministry shall determine and the Ministry shall direct appropriate proceedings to be taken to put the concession hol-

DEFENDANT'S EXHIBIT 26

der into possession of the land under the law from time to time in force, as if the concession holder's operations were in all respects a work of public utility. In the event of any dispute as to the nature and extent of the interest of claimants to the land or the amount of compensation payable by the concession holder, the Ministry shall refer the dispute for determination by an appropriate court of law and the Ministry shall pay to the respective claimants such sum by way of compensation as may have been determined by the Court. The Ministry shall pay to or obtain from the concession holder (as the case may be) the amount by which the sum deposited by the concession holder exceeds or falls short of the total compensation payable to the claimants.

(11) The concession shall not confer upon the concession holder the right to do any work within the precincts of cemeteries, places used for religions worship and places of antiquity as defined in the Antiquity Laws from time to time in force. Any works of art or antiquity discovered by the concession holder shall be subject to the law from time to time in force.

(12) No drilling or any dangerous operations shall be conducted within 50 meters of any public works or permanent builders without the previous consent of the Director, and subject to such conditions as he may impose.

ARTICLE 10

Surrender

(1) Within a period of five years from the date of the granting of a concession, the concession holder shall reduce the concession area to 75% of its original size; within eight years from the said date, the concession holder shall further reduce the concession area to 50% of its original size and within ten years from the said date the concession holder shall further reduce the concession area to 33.1/3% of its original size in the case of areas located in the First and Second Zones and to 25% of its original size in the case of areas located in the Third and Fourth Zones.

(2) The concession holder give one month's notice in writing to the Ministry of Petroleum Affairs of the areas which it will relinquish under paragraph (1) hereof.

DEFENDANT'S EXHIBIT 26

(3) The concession holder shall be entitled at any time, by giving three months' notice in writing to the Ministry, to surrender the whole or any part of a concession area.

(4) Any area which the concession holder gives up under paragraphs (1) and (3) shall be freely chosen by the concession holder provided that the following conditions shall be followed:

a) Unless the Ministry in special cases agrees otherwise the surrendered areas shall consist of only one block except that if the concession area exceeds 12,000 square kilometers it may consist of two blocks.

b) The surrendered area shall be reasonably compact and be bounded as far as possible by the grid lines of the Official Map of the Ministry and bordered on one or more concession borders unless the Ministry in special cases agrees otherwise.

(5) Notice of any reduction or surrender under this Article shall be accompanied by a map referring to the Official Map of the Ministry and a description indicating the precise extent of the land to be surrendered and the land to be retained.

(6) The concession holder shall continue to enjoy the full rights granted to him under the respective concession over the areas retained by him, and shall in respect of any lands he gives up as agoresiad, except as provided in Clause 26 of the Second Schedule to this Law, cease to enjoy any of the rights conferred upon him by the concession and to bear any of the responsibilities thereby imposed upon him except as may relate to any act of the concession holder in the said lands before they were given up without prejudice to the rights of the concession holder to the easements he may exercise over the surrendered areas.

ARTICLE 11

Working Obligations

(1) The holder of any concession granted under this Law shall, within eight months of the grant of such concession, commence operations to explore for petroleum within the concession area. He shall diligently prosecute all his operations under the concession in a workmanlike manner and by appropriate scientific methods. In

DEFENDANT'S EXHIBIT 26

furtherance thereof he shall spend in Libya, or elsewhere, not less than the following sums of their equivalent on, or in connection with the said operations including general organisational, overhead and administrative expenses connected therewith :

a) In respect of all concessions in the First and Second Zones:

During the first five years at the average rate, over the period and over the total area held in the Zone, of one and a half Libyan pounds (£L.1 1/2) per square kilometre per annum;

During the next three years at the average rate, over the period and over the total area held in the Zone, of three and a half Libyan pounds (£L.3 1/2) per square kilometre per annum;

and thereafter during each successive five year period at the average rate over such period of six Libyan pounds (£L.6) per square kilometre per annum.

b) In respect of all concessions in the Third and Fourth Zones:

During the first eight years at the average rate, over the period and over the total area held in the Zone, of one and a half Libyan Pounds (£L.1 1/2) per square kilometre per annum;

During the next four years at the average rate, over the period and over the total area held in the Zone, of three and a half Libyan pounds (£L.3 1/2) per square kilometre per annum;

and thereafter during each successive five year period at the average rate over such period of six Libyan pounds (£L.6) per square kilometre per annum.

(2) Any sum spent during any of the working periods specified above in excess of the minimum sun prescribed for that period shall be carried forward as a credit to the Company against the expenditure requirements for the following period or periods.

(3) If at the expiration of onehalf of any of the working periods specified in sub-paragraphs (a) and (b) above it appears to the Mi-

nistry that a concession holder has seriously neglected his obligations in respect of any Zone, The Ministry may require such concession holder to deliver to it a guarantee in the form of a bond or banker's guarantee in a sum which shall not exceed the total outstanding expenditure obligations remaining unfulfilled in that Zone. Such guarantee may at the end of the said period be forfeited to the Ministry to the extent that the concession holder may have failed to fulfil his expenditure obligations.

ARTICLE 12

Pipeline Facilities

Any concession holder having pipeline capacity surplus to his own requirements shall make such surplus available for the transport of petroleum of any other concession holder desiring to use the said surplus on terms agreed between them and approved by the Ministry of Petroleum Affairs.

If they fail to agree or if the Ministry does not approve the terms agreed upon, the Ministry shall propose terms of user.

If any of the concession holders do not accept the terms proposed by the Ministry the Ministry shall within two months from such non-acceptance submit the matter to a Committee of three persons one to be nominated by the concession holder having the surplus capacity, another by the Ministry and the third by the President of the Supreme Court of Libya. This Committee shall settle the terms of user and its decision or that of a majority of its members shall bind the respective concession holders and the Ministry. This decision shall be published in the Official Gazette.

Pending agreement on the terms of user or decision of the Committee in accordance with the provisions of this Article, the concession holder desiring to use the surplus capacity shall be entitled to do so in accordance with the terms proposed by the Ministry. Upon the terms being agreed upon or decided by the said Committee, as the case may be, they shall have retrospective effect to the commencement of such user.

ARTICLE 13

Fees, Rents and Royalties

(1) The concession holder shall in respect of each concession gran-

DEFENDANT'S EXHIBIT 26

ted hereunder pay the following fees, rents and royalties:

a) An initial fee of 100 libyan Pounds per 100 square kilometres or pro rata for part thereof of the concession area upon the grant of the concession.

b) An annual surface rent per 100 square kilometres or pro rata for part thereof of the concession area held as follows :

(i) For concessions located within the First and Second Zones, ten Libyan pounds for each of the first eight years, twenty Libyan pounds for each of the next seven years, provided that if at any time during this period of fifteen years Petroleum is found in commercial quantities the annual rent shall immediately increase to 2500 Libyan pounds for the remainder of the said period and a pro rata proportion of this increased rent shall be payable in respect of the year in which the find occurs.

"Comm. Quant" = 15,000 B/D

(ii) For concessions located within the Third and Fourth Zones, five Libyan pounds for each of the first eight years, ten Libyan pounds for each of the next seven years provided that if at any time during this period of fifteen years Petroleum is found in commercial quantities the annual rent shall immediately increase to 2500 Libyan pounds for the remainder of the said period and a pro rata proportion of this increased rent shall be payable in respect of the year in which the find occurs.

(iii) 3500 Libyan pounds for each of the five years from the expiry of the fifteenth year from the granting of the concession.

(iv) 5000 Libyan pounds for each year thereafter.

(c) A royalty of 12 1/2% of the value of the total field production of all natural gasoline recovered by the concession holder from the concession area and of all petroleum (excluding natural gas) won and saved into field storage freed of water and foreign substances after deduction of the quantities of any petroleum, petroleum products and natural gasoline used in Libya by the concession holder in the course of his operations hereunder.

DEFENDANT'S EXHIBIT 26

The value of crude oil for royalty purposes shall be calculated on the basis of the posted price as defined in Article 14 (5) hereof.

The value of natural gasoline and of petroleum other than crude oil for royalty purposes shall be calculated in a manner to be agreed upon from time to time between the Ministry of Petroleum Affairs and the concession holder.

(d) A royalty of 12 1/2% of the sale price less any cost of transport from the Wellhead paid by the concession holder and not recovered from the purchaser in respect of all natural gas derived from the concession area and sold by the concession holder for delivery in Libya.

(e) A royalty of 12 1/2% of the value of all natural gas derived from the concession area and exported by the concession holder, the value of the natural gas for this purpose being the sale price after deducting any handling charges, duties and imposts and the cost of transport from the Wellhead paid by the concession holder and not recived from the purchaser.

(2) The Ministry of Petroleum Affairs shall be entitled by notice in writing to the concession holder of not less than three months to take in kind the whole or part of the royalty stipulated in this Article and due in any complete year. Any petroleum, or natural gasoline to which the Ministry becomes entitled by virtue of the exercise of this right shall be delivered by the concession holder f.o.b. Seaboard Terminal in Libya.

(3) Sums payable by way of royalty in respect of any year for a concession area shall be reduced by the amounts paid as surface rent in respect of that year, provided that in no case shall the amounts of rent paid be less than £L2500 per 100 square kilometres or pro rata for part thereof.

ARTICLE 14

Taxation and Division of Profits

(1) The concession holder shall pay such income tax and other taxes and imposts as are payable under the Laws of Libya but shall not be subject to any form of taxation whether Government or Municipal or

DEFENDANT'S EXHIBIT 26

other exaction of such nature as to render him liable to taxation or other dues not payable by persons in general operating in Libya other than fees, royalties and surface rents made payable under this Law : —

Provided however that —

(a) If in respect of any complete year from and after the effective date as hereinafter defined the total amount of the fees, rents and royalties except 12 1/2% of the value of crude oil exported, as herein defined, payable under this Law and income tax and other direct taxes for which a concession holder is liable in respect of his operations and income thereform under all petroleum concessions held by him in Libya falls short of 50% of his profits as hereinafter defined for that complete year the concession holder shall pay to the Ministry such sum by way of surtax as will make the total of his payments equal to 50% of the profits aforesaid.

(b) If in respect of any complete year from and after the effective date the total amount of fees, rents and royalties, except 12 1/2% of the value of crude oil exported, as herein defined, payable by the concession holder under this Law and income tax and other direct taxes for which the concession holder is liable as aforesaid exceeds 50% of the said profits of the concession holder during that complete year, he shall be entitled to deduct such excess from the income tax, surtax and other direct taxes payable in that year or following years.

(c) For purposes of paragraphs (1), (2) and (9) of this Article, «12 1/2% of the value of crude oil exported» shall mean: 12 1/2% of the value calculated on the basis of the applicable posted prices of crude oil exported by the concession holder in any such complete year and on which royalty is payable by the concession holder in that year.

(d) For purposes of this Law crude oil sold by the concession holder for export from Libya (which term «for export» as used herein includes export before or after sale) shall be deemed to be crude oil exported by the concession holder. With respect to crude oil taken in kind by the Libyan Gover-

Note

DEFENDANT'S EXHIBIT 26

nment under this Law, being in payment by the concession holder in whole or in part of the royalty stipulated in this Law, such crude oil shall be deemed to be crude oil exported by the concession holder if such crude oil is delivered to the Libyan Government by the concession holder for export.

(2) In applying this Article : —

«complete year» means the financial year of the concession holder. The first year, however, shall include the period from the effective date to the end of the financial year of the concession holder and the last year shall include the period from the beginning of the financial year of the concession holder to the termination of the concession .

«effective date» means the date on which the concession holder first commences regular exports in commercial quantities or regular sales in commercial quantities of petroleum derived from any of his concessions in Libya.

«Profits» for the purposes of paragraph (1) (a) and (1) (b) mean in respect of any complete year after the effective date the income resulting to the concession holder from his operations in Libya after deducting the following items (a and b) in so far as they are fairly, properly and necessarily attributable to the operations of the concession holder in Libya, and item (c).

(a) Operating expenses and overheads the details of which are defined in Regulations excluding the fees, rents, royalties and income tax and other direct taxes referred to in (1) (a) and (1) (b) above.

(b) Depreciation of all physical assets in Libya at the rate of 10 per centum per annum & amortisation of all other capital expenditure in Libya at the rate of 5 per centum per annum until such assets and expenditure are fully written off. The unamortised balance of the costs of physical assets permanently put out of use may be deducted in the year when such assets are scrapped or sold.

(c) 12 1/2% of the value of crude oil exported, as defined in paragraph (1) (c) above.

(3) Exploration and prospecting expenses, intangible drilling costs, as defined by Regulations but only to the extent that such expenses

DEFENDANT'S EXHIBIT 26

and costs are not incidental to the procurement or installation of physical assets, and the costs of drilling wells not productive of petroleum in commercial quantities may in respect of expenditure incurred after the effective date, be deducted in the year in which the expenditure is incurred under paragraph (2) (a) of this Article or may be capitalised and amortised as provided in paragraphs (2) (b) of this Article. The concession holder may either deduct or capitalise each such classification of expenditure. The election once made is final and binding for all time unless the Ministry in special cases agrees otherwise. Expenditure capitalised under this paragraph and attributable to areas surrendered under paragraph (1) of Article 10 of this Law may be deducted in the year of surrender in so far as not already amortised.

(4) Nothing in this Article shall be taken as permitting the deduction under paragraph (2) (a) or (b) of this Article of the following items of expense in determining the profits for the purpose of paragraphs (1) (a) and (1) (b).

i) Penalties paid under Article 22 of this Law or any sum forfeited to the Ministry under Article 11 (3) of this Law.

ii) Foreign taxation paid on income derived from sources within Libya.

iii) Interest or other consideration paid or suffered by the concession holder in respect of the financing of his operations in Libya.

iv) Expenditure incurred in relation to the organising and initiating of petroleum operations in Libya.

(5) In applying this Article : —

«income resulting from the operations of the concession holder in Libya» means :

a) in relation to crude oil exported by the concession holder from Libya: total gross receipts realized by the concession holder from such export.

b) in relation to other operations of the concession holder in Libya the income to be ascertained in a manner to be agreed between the concession holder and the Ministry of Petroleum Affairs.

DEFENDANT'S EXHIBIT 26

The value of petroleum and natural gasoline taken in kind under Article 13 hereof shall be deemed to form part of such income.

«Posted price» means the price f.o.b. Seaboard Terminal for Libyan crude oil of the gravity and quality concerned arrived at by reference to free market prices for individual commercial sales of full cargoes and in accordance with the procedure to be agreed between the concession holder and the Ministry or if there is no free market for commercial sales of full cargoes of Libyan crude oil then posted price shall mean a fair price fixed by agreement between the concession holder and the Ministry or in default of agreement by arbitration having regard to the posted prices of crude oil of similar quality and gravity in other free markets with necessary adjustments for freight and insurance.

(6) Were in respect of any complete year after the effective date the total of the deductions allowed under paragraph (2) of this Article for the determination of profits exceeds the income in respect of that year before taking the said deductions the resulting excess shall be carried forward and as far as may be deducted from the profits of susequent complete years up to a maximum of 10 years.

(7) A permit or concession holder who participates in joint operations in connection with such permit or concession may, in respect of such operations, report his rateable proportion of income therefrom and his permitted expenses therein and make all permitted elections independently of the oper person or persons participation in the joint operations, provided that one or more of the persons in the joint operations is carrying out other independent operations in Libya under this Law. Income and permitted expenses so reported may be consolidated with those in respect of other operations being carried out by him in Libya under this Law.

(8) In computing profits as herein defined sound and consistent accounting practices usual in the petroleum industry shall be employed. Where more than one such accounting practice prevails the Ministry shall decide which practice is to be applied by the concession holder.

(9) As soon as practicable after the end of each complete year referred to above and in any event not later than four months after the end of each complete year the concession holder shall submit to

the Ministry accounts showing that year's profits as defined in this Article. Simultaneously with the submission of the accounts the concession holder shall pay to the Ministry a sum which together with any fees, rents royalties «except 12 1/2% of the value of crude oil exported, as herein defined.» and direct taxes already paid for the year equals 50% of the profits shown by the said accounts. This payment shall be treated by the Ministry as a payment on account of income tax and surtax.

If when the actual amounts of income tax and surtax payable have been finally determined the payment on account is less than the total of the income tax and surtax payable, the concession holder shall pay the balance forthwith. If when the actual amount of income tax end surtax payable has been finally determined the payment on account is more than the total of the income tax and surtax payable the balance shall be carried forward and treated as a payment on account of future income tax and surtax.

ARTICLE 15

To whom fees, rents, royalties, surtaxes and income taxes payable

All fees, surface rents, royalties and surtax imposed by the implementation of this Law and the income tax shall be paid to the Public Treasury through the Ministry of Petroleum Affairs.

The total income to the Ministry of Petroleum Affairs and other Libyan Government, Municipal and other authorities whether central or local in respect of the production, manufacture, dealings in oil or rights thereto, transport, sale, export, shipments and profits and distribution therefrom of crdue oil produced in Libya by the concession holder and or sold by the concession holder for export from Libya shall be equal in respect of such year calculated in accordance with the concession holder's concession agreements, as amended in accordance with this amendment to the Petroleum Law referred to above. In the event any difference or dispute arises concerning this paragraph, such difference or disput shall be referred to arbitration in accordance with the concession holder's concession agreements.

ARTICLE 16

Exemption from certain Import and Export Duties

(1) A permit or concession holder or any contractor employed by

DEFENDANT'S EXHIBIT 26

him may import free of duty : —

a) Plant, tools, machinery, equipment, supplies and materials and

b) such other goods as may be specified from time to time by Regulations issued under the Customs Law.

Provided that all the goods mentioned in paragraph (a) or (b) above are used for petroleum exploration, prospecting, mining, transporting, refining operations and activities connected therewith.

Provided, however, that such exemption shall not apply to goods included in this paragraph which are available in Libya of suitable type and reasonably comparable quality and at no higher price provided that in comparing price to the price of imported goods shall be added customs duties and other expenses incurred up to the time the imported goods reach Libya.

(2) Other goods which are dutiable under the Customs Law shall be subject to the payment of the appropriate duty.

(3) Any person intending to sell or transfer any goods which have been imported free of duty under paragraph (1) hereof shall before such sale or transfer make a declaration to the Customs Department and shall, unless such goods are sold or transferred to another permit or concession holder or contractor entitled to the same exemptions, pay on demand such import duty as may be assessed by the Director General of Customs in accordance with the Customs Law.

(4) Petroleum or any of its derivatives produced in Libya, and any goods imported free of duty under paragraph (1) hereof may be exported free of Customs duty and without an export licence subject to the policy of the Government regarding exports in general and to such restrictions as the State may impose by Law on production and exports during a state of war or emergency.

ARTICLE 17

Assignment of Permits and Concessions

Permits and concessions shall not be assigned except with the written consent of the Ministry which may impose any conditions which it may deem appropriate in the Public interest.

DEFENDANT'S EXHIBIT 26

ARTICLE 18

Revocation of Permits and Concessions

A permit or concession granted under this Law may be revoked only in the circumstances and in the manner set out in the permit or concession.

ARTICLE 19

Publication

Notice of the grant, renewal, assignmen[illegible]ion, termination or surrender of the whole or any part of any permit or concession shall be published in the Official Gazette.

ARTICLE 20

Arbitration and Force Majeure

(1) Any disputes between the Ministry and the concession holder arising from any concession granted under this Law shall be settled by arbitration in the manner set out in the Second Schedule hereto.
(2) In the event of Force Majeure, the rights and obligations of the parties to a concession granted hereunder shall be those specified in the Second Schedule hereto.

ARTICLE 21

Refining

(1) A concession holder who discovers petroleum in Libya and who desires to refine it in the country shall have the right to construct, maintain and operate a refinery for this purpose in accordance with any legislation governing the refining of petroleum.
(2) Should refineries be established in Libya the Ministry of Petroleum Affairs may require a concession holder to make available at field storage to such refineries, pro rata with other concession holders and at field storage price, sufficient quantities of crude oil from his production in all concessions in Libya to meet the domestic consumption requirements of Libya in respect of petroleum products; provided however that the concession holder shall not be required to furnish or build additional handling or transportation facilities for this purpose.

DEFENDANT'S EXHIBIT 26

ARTICLE 22

Penalties

(1) Any person found guilty of exploring for, or prospecting for petroleum in any part of Libya without the authority of a permit or concession issued under this Law shall be liable to a fine not exceeding five hundred Libyan pounds (£L.500). If petroleum has been mined, he shall on conviction be liable to the penalty provided by law for larceny and to a fine of five hundred Libyan pounds (£L.500) or treble the value of any petroleum produced whichever is the greater, and any petroleum mined or produced shall be forfeited to the Government of Libya.

(2) Any person entitled under paragraph (1) of Article 16 to import free of duty the goods referred to therein who intentionally uses such goods for purposes other than those specified therein, or transfers such goods to any person not entitled to exemption contrary to Article 16 paragraph (3), or fails to make the declaration to the Customs Department before the transfer of any goods as required by the said paragraph hereof, shall be liable on conviction to the penalty provided in Article 95 of the Customs Law of 1954.

(3) Any public official or employee who has been entrusted with or who has come to know of any confidential information by virtue of this Law and who divulges such information shall be liable to the penalties provided for in Article 236 of the Penal Code.

(4) In the implementation of this Law, the regulations and decisions made hereunder, the officials appointed by decision of the Minister of Petroleum Affairs shall have the capacity of investigation officials.

(5) The persons mentioned in the previous paragraph shall have the right to enter the premises of the concession holder and inspect his work, books, registers and papers to ensure the proper implementation by the concession holder of the provisions of this Law, the regulations and decisions made hereunder and the provisions of the Permit or Concession.

DEFENDANT'S EXHIBIT 26

ARTICLE 23

Definitions

In this Law :

«Minister» means the appropriate Minister;

«permit» means a preliminary reconnaissance permit issued under this Law ;

«concession» means a petroleum prospecting, mining and producing concession issued under this Law.

«person» means anybody corporate or other juridical person;

«oil or gas well» means a well capable of producing oil or gas in quantities susceptible of measurement;

«petroleum» means all natural hydrocarbons, liquid or gaseous, produced or producible from the ground and all asphalt and other solid hydrocarbons suitable for the production of liquid petroleum or gas. Petroleum does not include coal.

«directo control» means the control of any company (hereinafter in this subparagraph called «the particular company») exercised by any other company or companies (hereinafter in this subparagraph called «the parent company or companies») where a series of companies can be specified, beginning with the parent company or companies and ending with the particular company, in which each company of the series, except the parent company or companies, is directly controlled by one or more of the companies in the series;

«year» means a calendar year according to the Gregorian calendar;

«barrel» means forty two (42) gallons U.S. or 158,984 litres of liquid petroleum;

«processing» means any operation connected with the treatment of petroleum with the exception of fractional distrillation.

ARTICLE 24

Regulations

The Minister shall issue the following regulations or any other regulations necessary for the implementation of this Law.

a) Administrative and financial regulations

b) Petroleum regulations for safety precautions and the

conservation of the petroleum resources of Libya, provided that no regulations or alternation thereof shall be contrary to the provisions of this Law or adversely affect the contractual rights expressly granted under any permit or concession in existence at the time the regulation is made or altered.

ARTICLE 25

Title and coming into force

(1) This Law may be cited as the Petroleum Law 1955 and shall come into force thirty days after publication in the Official Gazette with the exception of Articles 2 and 24 which shall come into force on publication.

(2) As from the date on which this Law comes into force the provisions of the Minerals Law 1953 shall cease to apply in so far as they relate to petroleum, except that any permit issued under the Minerals Law 1953 shall continue in force until the normal expiry date.

IDRIS

Given at Dar-Assalaam Palace on 28th Sha'ban 1374 h.
corresponding to 21st April 1955 g.

SALEM EL QADI
Minister of National Economy

by order of the King,
MUSTAFA BEN HALIM
Prime Minister

(Published in the Official Gazette No. 4 of 19th June. 1955)

EXCERPTS FROM DEFENDANT'S EXHIBIT 27.

LIBYAN PETROLEUM LAW

ARTICLE 1

Petroleum Property of State

(1) All petroleum in Libya in its natural state in strata is the property of the Libyan State.

(2) No person shall explore or prospect for, mine or produce petroleum in any part of Libya, unless authorised by a permit or concession issued under this Law.
(Law 1955)

ARTICLE 2

Establishment of High Council of Petroleum Affairs

(1) A Council shall be established in the Ministry of Petroleum Affairs to be known as "The High Council of Petroleum Affairs" which shall be constituted of:

The Minister of Petroleum Affairs	President
The Minister of Finance The Minister of National Economy The Minister of Planning and Development The Minister of Industry The Governor of the Bank of Libya	Members

Three members having experience in petroleum affairs, finance, economy, industry or law, whose appointment and remuneration shall be prescribed by a resolution of the Council of Ministers for a term of two years which may be renewed. The Council may also enlist the advice and experience of any person.

(2) The High Council of Petroleum Affairs shall be charged with:

(a) Studying the petroleum policy within the State's general policy.

(b) Studying the best ways and means for preserving and exploiting petroleum resources.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

(c) Giving advice on draft laws and regulations concerning petroleum affairs, and petroleum matters submitted to the Council by the Minister of Petroleum Affairs.

(d) Giving advice on the issue of exploration permits and the surrender of a contract area

(e) Giving advice regarding the granting and revocation of concession contracts, [illegible] acceptance and [illegible] recommendations, deciding on [illegible] certification and [illegible] date for opening applications for concessions.

(f) Laying down special regulations governing rules of procedure within [illegible]

'Reg. 1964:

ART. 1.

The High Council of Petroleum Affairs shall hold its meetings at the invitation of its President; the Council shall be invited to hold a meeting once every three months at least; it shall also convene whenever it is so requested by three of its members in writing.

ART. 2.

The President of the Council shall invite the members to attend the session ten days at least before the date of its holding; the invitation shall contain the place and time of the meeting, as well as the issues to be debated (which are tabled on the agenda); exceptionally, when necessary, the Council may be invited to hold a meeting without adherence to this period.

Convention of the Council shall only be in order if six of its members at least are present.

ART 3.

The Council may invite to its meetings any person whose advice or experience it wishes to seek; any such person invited may participate in the Council's debates but may not have the right to vote.

ART. 4.

The Council may request one or more of its members to study certain matters coming under his or their jurisdiction and to submit his or their findings to the Council.

ART. 5.

Decisions of the Council shall be taken by a majority vote of the members present; in the case of an even vote the President shall have a casting vote.

ART. 6.

The Council shall have a Secretary General to be assigned from among the employees of the Ministry of Petroleum Affairs whose grades shall not be lower than III; the Secretary General shall be assisted by a sufficient number of the Ministry's employees assigned for this purpose and shall be entrusted with the following:

(a) Preparation of the agenda of each meeting, submission of the same to the Council's President for approval, and distribution of the same to the members according to the provisions of Article 2.

(b) Recording the minutes of the Council's meetings, debates, recommendations and decisions; the minutes of each meeting shall be signed by the Council's President and the Secretary General and shall be submitted to the members at the next meeting for ratification.

(c) Registration of letters, keeping of the files and records of the Council.

ART. 7.

The President of the Council shall notify the Council's decisions and recommendations to the competent authorities, and shall submit what must be submitted to the Council of Ministers.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

(3) The matters cited in paragraphs (d) and (e) of the preceding section shall be submitted to the Council of Ministers for approval prior to taking a final decision thereon.
(Law 1955 as amended by Law 1962 and Law 1963)

Abolition of Petroleum Commission

The Petroleum Commission is hereby abolished and all of its funds shall revert to the Public Treasury and the Ministry of Petroleum Affairs shall replace the Commission in all permits and contracts issued under the provisions of Petroleum Law No. 25 of 1955. It shall further replace it in all its other rights and obligations.

All staff members[10] and laborers of the abolished Petroleum Commission shall be considered to have been transfered to the Ministry of Petroleum Affairs, each according to his grade and salary at the time of the commencement of this Law.

(Added by Law 1963)

ARTICLE 3

Petroleum Zones

In the application of this Law, the territory of Libya shall be divided into four petroleum zones:

The First Zone to include the districts of Tripoli, El Jabal El Gharbi, Zawia, Homs and Misurata;

The Second Zone to include the districts of Benghazi, El Jabal El Akhdar and Derna situate north of Latitude Line 28 degrees;

The Third Zone to include the districts of Benghazi, El Jabal El Akhdar and Derna situate south of Latitude Line 28 degrees; and

The Fourth Zone to include the districts of Sebha and Ubari.

(Law 1955 as amended by Law 1963)

---

1 (cont.)
ART. 8.
All duties, debates, recommendations and decisions (resolutions) of the Council shall be treated as secret with the exception of the recommendations and resolutions decided to be open by the Council, in which case the President of the Council shall publish such recommendations and resolutions in the usual manner.

10 Art. 2(5) of the petroleum law, which was eliminated by Law 1963, provided as follows:

"The Commission shall have a Director to be called 'The Director of Petroleum Affairs' and he shall be appointed by a decision passed by the Minister of Petroleum Affairs, and he shall be entrusted with the performance of the duties which are assigned to him under this Law and the First and Second Schedules thereto, and such other duties as are assigned to him under the Regulations issued in implementation of this Law, as well as the other duties which are referred to him by the Minister or the Commission."

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

ARTICLE 4

Seaward limits

(1) This Law shall extend to the seabed and subsoil which lie beneath the territorial waters and the high seas contiguous thereto under the control and jurisdiction of the Kingdom of Libya. Any such seabed and subsoil adjacent to any Zone shall for the purposes of this Law be deemed to be part of that Zone.

(2) If there is doubt as to the boundary of any Zone the Ministry of Petroleum Affairs shall determine the boundary of such Zone for the purposes of this Law only,[2] and if by reason of such determination it becomes necessary for the applicant to amend his application, or to make a new application, he shall be allowed one month to do so after receipt of a request so to do, without loss of priority.

(3) If a subsequent determination of the boundaries leads to an adjustment of the boundaries as determined by the Ministry of Petroleum Affairs, such adjustment shall not affect the validity or extent of permits or concessions granted within the area or areas affected by the adjustment

(Law 1955 as amended by Law 1963)

ARTICLE 5

Eligible Applicants

(1) The Ministry of Petroleum Affairs shall consider applications for permits or concessions

---

[2] Art. 2 of Reg. 1:

For all purposes of the Petroleum Law No. 25 of 1955 and the Regulations issued thereunder the Petroleum Zones shall be as follows:

THE FIRST ZONE—consists of the Province of Tripolitania bounded on the north by the limits of territorial waters and high seas contiguous thereto under the control and jurisdiction of the Kingdom of Libya, and on the east by 18° 50' longitude until it intersects the coast line, then in a straight line in a southeasterly direction to a point where 30° latitude intersects 19° 5' longitude, thence in a straight line running in a southwesterly direction to the point where 18° 30' longitude intersects 29° 40' latitude, thence directly south along 18° 30' longitude to the intersection with 28° latitude, thence in a westerly direction along the 28° latitude to the intersection with 12° 15' longitude, thence directly north along 12° 15' longitude to the intersection with 31° latitude, thence directly west along 31° latitude, to the border of Tunisia, thence in a general northerly direction along the international boundary with Tunisia.

THE SECOND ZONE—consists of that part of Cyrenaica north of 23° latitude, bounded on the west by the eastern boundary of Zone 1 described above, on the north by the limits of the territorial waters and high seas under the control and jurisdiction of the Kingdom of Libya, and on the east by the international boundary with Egypt.

THE THIRD ZONE—consists of the part of Cyrenaica south of 28° latitude bounded on the west by 18° 30' longitude, on the south by the international boundary with French Equatorial Africa and on the east by the international boundary with Egypt and the Sudan.

THE FOURTH ZONE—consists of the Province of the Fezzan bounded on the north by the southern border of the First Zone described above, bounded on the west by the international boundary with Algeria and Tunisia, on the south by the international boundary with French East Africa and French Equatorial Africa and on the east by 18° 30' longitude, which is the western boundary of the Third Zone.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

submitted by eligible applicants only,[3] and in determining the eligibility of any applicant, the Ministry of Petroleum Affairs shall have regard to the following:

(a) the furtherance of the public interest;

(b) (i) the applicant's compliance with relevant Laws and Regulations;

(ii) his previous activities in the petroleum industry;

(iii) his previous experience in the conduct of similiar operations;

(iv) his financial and technical capacity to conduct the contemplated operations.

(2) In determining the eligibility of an applicant who is a subsidiary of a company or a member of a group of companies, there shall be taken into consideration the possession of the aforesaid qualifications by the parent company or group of companies of which he is a member and the extent of the availability to the applicant of such qualifications.
(Law 1955 as amended by Law 1963)

Failure To Amend Concessions under Decree 7-3-61

No concession shall be granted to a person who holds a concession granted before the coming into force of this Law[3a] unless that person agrees in writing to amend that concession in accordance with the conditions and provisions of this Law.

No concession shall be granted to a person who directly or indirectly controls or is directly or indirectly controlled by a person who holds a concession granted before the coming into force of this Law unless the holder of that concession agrees in writing to amend it in accordance with the terms and provisions of this Law.
(Added by Decree 7-3-61)

Failure To Amend Concessions under Decree 1965

(1) No new petroleum concession shall be granted to a person who holds a petroleum concession granted before the coming into force and effect of this Decree Law[3b] unless that person undertakes in a writing, in conformance with Article XII hereof,[3c] executed and delivered to the Ministry of Petroleum Affairs, the obligation to amend such previously granted concession in accordance with the conditions and provisions of the Petroleum Law No. 25 of 1955 as heretofore and hereby amended.

(2) No new petroleum concession shall be granted to (i) a person who directly or indirectly controls a concession holder who holds a petroleum concession granted before the coming into force and effect of this Decree Law or (ii) to a person directly or indirectly controlled by a person who either holds a petroleum concession granted before the coming into force and effect of this Decree Law or (iii) to a person who directly or indirectly controls such a concession holder, unless the holder of such previously granted concession undertakes in a writing,

---

[3]Par. (2) of Art. 16 of Reg. 1 as amended by Art. 3 of Reg. 7:

The Ministry shall initially determine the eligibility of the applicant in accordance with Article 5 of the Law. The decision of the Ministry regarding the eligibility or ineligibility of an applicant shall not be binding on the Ministry in respect of future applications by the same applicant.

3a Decree 7-3-61.

3b Decree 1965.

3c Set forth on pages 15 to 16.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

in conformance with Article 24 hereof, executed and delivered to the Ministry of Petroleum Affairs, the obligation to [illegible] in accordance with the provisions of the Petroleum Law No. 25 of 1953 as heretofore and hereafter amended.
(Added by Decree 1958)

ARTICLE 6

Permits

(1) Applications for permits[4] shall be submitted in triplicate to the Ministry of Petroleum Affairs which shall forward a copy to the Minister. Separate applications shall be submitted in respect of each Petroleum Zone.

(2) The applications shall show the area the applicant desires to work, and contain short particulars in respect of the matters referred to in Article 5 of this Law. The applicant shall, at the Ministry of Petroleum Affairs' request, furnish any further relevant information. All information submitted under this paragraph shall be treated as confidential.

(3) The Ministry of Petroleum Affairs may grant a permit in the form set out in the First Schedule to this Law and not otherwise, provided that the permit may contain such minor non-discriminatory variations as may be required to meet the circumstances of any particular case.

(4) Such a permit may be granted in respect of any area and shall entitle the holder thereof to carry out the operations permitted therein within the specified area and in accordance with the terms of the permit; provided however, that nothing in this paragraph shall entitle the holder of the permit to impede in any way the work of any concession holder, or to enter into prospecting and development sites without the express permission of the concession holder.

(5) The grant of a permit does not of itself entitle the holder thereof to a concession in respect of any area.

(6) A permit shall be granted on payment of the fee specified in the First Schedule hereto.

(7) A permit may be granted for a period of one year and may be renewed on payment of the specified fee.
(Law 1955 as amended by Law 1963)

ARTICLE 7

Applications for Concessions

(1) The Ministry of Petroleum Affairs shall announce from time to time by notice published in the local and world press the areas in respect of which concessions may be applied for.

---

[4]See regulations set forth under Articles 7, 8, and 9.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

(2) The Ministry of Petroleum Affairs shall by notice published in the local and world press invite those who wish to apply for concessions in the areas mentioned in the previous paragraph to submit their applications in triplicate in a sealed envelope to be delivered to the Main Offices of the Ministry of Petroleum Affairs.[5] The Ministry of Petroleum Affairs shall fix a closing time and date for the delivery of the applications and shall not consider any application which is delivered after such time and date.

(3) The Ministry shall, by registered mail, invite each applicant for a concession to send his representative to the Ministry headquarters at a specified hour and day to attend the opening of applications submitted for obtaining concession contracts. Failure of the representative of any applicant to appear at the specified hour and day shall be considered as a refusal on his part of the invitation. Applications shall be opened through persons specially delegated by the Minister in the presence of representatives of applicants who have accepted the invitation to attend and the first copy of each application shall be signed by both the persons delegated to open applications and representatives of applicants who have accepted the invitation to attend.

(4) It shall not be permissible to amend or vary an application after it has been opened and signed as mentioned in paragraph (3) hereof.

(5) The Ministry of Petroleum Affairs shall send a copy of each application to the Minister.

---

[5]Par. (a) of Art. 5 of Reg. 1:

Concession areas applied for shall be compact and free from narrow indentations except in exceptional cases as the Ministry may deem fit. An applicant shall not be permitted to unify distinct concession areas by connecting them with an insubstantial link. The Ministry may require an applicant who fails to comply with the provisions of this paragraph to amend his application.

Par. (1) of Art. 7 of Reg. 1 as amended by Art. 1 of Reg. 7:

Applications for permits and concessions shall be submitted in triplicate in the form prescribed in the Second and Third Schedules to this Regulation. Such application shall be handed or sent by registered mail to the Director.

Par. (2) of Art. 7 of Reg. 1:

Applications shall be submitted during the official hours of the Director, namely, between 9:00 a.m. and 12:00 noon each day of the week except official holidays. The Director shall not receive any application submitted during other hours . . . .

Arts. 9, 10, 14, and 15 of Reg. 1:

ART. 9.

Every applicant for a permit or concession shall, on the submission of the application, notify the Ministry of the name, residence and Post Office address of the person resident in Libya authorised to act for and on behalf of the applicant (hereinafter called "the Local Manager"). The applicant shall provide the Ministry with the necessary officially authenticated power of attorney of the Local Manager.

ART. 10.

On receipt by the Director of an application for a permit or concession he shall forthwith:

(a) give to the application an exclusive reference number,

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

(6) Each application shall contain such particulars in respect of the matters referred to in Article 5 of this Law. The applicant shall, at the Ministry's request, furnish any further relevant information which may be required by the Ministry of Petroleum Affairs and which relates to his application. All information supplied under this paragraph shall be treated as confidential.

(7) The applicant may include in his application particulars of any economic and financial benefits and advantages and other things which he is willing and able to offer in addition to those stated in this Law and the Second Schedule hereto.

(Law 1955 as amended by Decree 7-3-61 and Law 1963)

---

5 (cont.)

(b) register in the Petroleum Register particulars in accordance with Article 11 of this Regulation. Every application valid to be registered shall be deemed to be registered when it is received by the Director, provided however that no application shall be made public on the day on which it was received . . . .

(c) file all such applications and any sketch, plan or other document accompanying them in the records of his office.

(d) (Deleted by Art. 2 of Reg. 7).

(e) issue to the applicant an official receipt showing the nature of the documents received, the reference number in the Petroleum Register, the reference number given to them by the applicant and the exact time and date of receipt.

ART. 14.

The Director shall immediately submit to the Minister of Petroleum Affairs an original copy of each application submitted to him.

ART. 15.

(1) If it appears to the Ministry that an application for a permit or concession contains minor inadvertant errors in form, including errors of translation, the Ministry shall, if it deems necessary to have the errors corrected, request the applicant to make such corrections within a reasonable period determined by the Ministry without loss of priority.

(2) The Ministry shall also permit the correction of similar errors appearing in any plan, sketch, report or document submitted to the Ministry.

(3) In other cases the provisions of the Libyan Law will apply.

Par. (1) of Art. 16 of Reg. 1 as amended by Art. 3 of Reg. 7:

The Ministry may require an applicant to submit additional information relevant to his application and shall allow such applicant a reasonable period within which to submit such information.

Art. 8 of Reg. 1:

The Ministry shall take all steps necessary to ensure that all applications for permits and concessions and all plans, sketches, reports and other documents accompanying such application are treated as confidential.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

Applications Opened July 31, 1965

During a period of 45 days from the date on which this Decree Law[6] comes into force and effect by publication in the Official Gazette of the Kingdom of Libya, applicants for new petroleum concessions whose applications were opened on 31 July, 1965 may by notice given in writing to the Minister of Petroleum Affairs either affirm their intention to maintain their applications in force and effect unaltered or delete therefrom any provisions thereof or add thereto any more favorable terms. Thereupon such applications shall be deemed to be applications for concession agreements only in accordance with the Petroleum Law No. 25 of 1955 as heretofore and hereby amended and only in accordance with Schedule II thereto and only in accordance with the regulations in force and effect on the date of delivery of the above mentioned notice. If such notice is not given by such an applicant within such 45 day period with respect to all his applications for such new concessions, every one of his applications for such new concessions shall be deemed to have been withdrawn and to be of no further force and effect.

(Added by Decree 1965)

ARTICLE 8

Conflicting Applications

In the event of more than one application being submitted for a concession over the same area the Ministry of Petroleum Affairs shall have absolute discretion as to which application to accept. In making its decision the Ministry shall take into account such additional economic and financial benefits and advantages and other things mentioned in paragraph (7) of Article 7 of this Law as are offered in the applications.[7]

(Law 1955 as amended by Decree 7-3-61 and Law 1963)

ARTICLE 9

Grant of Concessions

(1) The Ministry of Petroleum Affairs shall grant concessions[8] in the form set out in the

---

[6] Decree 1965

[7] Par. (1) of Art. 17 of Reg. 1 as amended by Art. 4 of Reg. 7:

If more than one application are submitted for the same concession area, the Ministry shall be absolutely free to accept the application that it deems suitable, taking into account the previous activities of the applicant in the petroleum industry, his experience in handling similar work, his financial and technical ability to carry out the intended operations as well as the additional economic financial and other benefits and advantages offered in accordance with paragraph (7) of Article 7 of the Law.

[8] Par. (2) of Art. 17 of Reg. 1 as amended by Art. 4 of Reg. 7:

If the Ministry decided to refuse any application for a permit or concession, the applicant shall be informed accordingly, and the application, together with the decision of the Ministry, shall be referred to the Minister.

EXCERPTS FROM DEFENDANT'S EXHIBIT 27

Second Schedule to this Law. The Ministry may include in these concessions any additional benefits and advantages which are offered by the applicant under paragraph (7) of Article 7 of this Law, provided that such additions shall not contain conditions or terms that reduce any of the rights, benefits or privileges to to which the Ministry is entitled under the terms of this Law and the Second Schedule hereto.

---

3 (cont)

Arts. 18, 19, 20, and 21 of Reg. 1:

ART. 18.

(1) If the Minister approves any decision of the Ministry regarding the grant or refusal of any application, the Commission shall forthwith inform the applicant accordingly and take such other action as may be required to implement the decision of the Minister.

(2) If the Minister does not approve any decision of the Ministry regarding the grant or refusal of any applications, the Ministry shall reconsider its decision in the light of the observations of the Minister, and shall refer its decision back to the Minister.

(3) No permit or concession may be granted except with the approval of both the Ministry and the Minister.

ART. 19.

An applicant who is notified of the final acceptance of his application shall:

(1) pay the prescribed fee,

(2) in case of the grant of a concession, give the bond or banker's guarantee in the sum determined by the Ministry in accordance with paragraph (3) of Article 9 of the Law. The bond or guarantee shall be in triplicate, each copy being duly recorded in the Registers of the Ministry, one of which shall be kept by the Ministry and the other two shall be returned to the applicant after such recording.

(3) sign an undertaking to abstain from all political activity in Libya.

The above procedure shall be completed within one week from the date of the receipt of the final notifications. Payments shall be made to the Treasury of the Federal Government in the account of the Ministry.

ART. 20.

(1) The Ministry shall, after ascertaining the completion of the procedure provided for in the previous Article, fix a date for the signature of the permit or concession as the case may be.

(2) (Repealed by Art. 6 of Reg. 5)

ART. 21.

Any person to whom a concession is granted shall, before commencing operations, take all appropriate legal steps to comply with the requirements of the Libyan Commercial Code and such other laws as may be applicable in respect of such operations.

DEFENDANT'S EXHIBIT 28a.

The Kingdom of Libya

Ministry of Justice

The Thesaurus of

The Libyan Legislation

The Collection of

The Penal Legislation

1965

Article 236 - Divulgence of office secrets.

"Every public official who violates the duties of his office or abuses them by divulging official information which should remain secret, or facilitates by any available means the arrival at its divulgence shall be punished by imprisonment of not less than six months."

2127a

DEFENDANT'S EXHIBIT 29.

20. III 65

Mon cher ami,

Je viens de recevoir votre lettre, et je suis plus tranquille sur Hotel Phonicie, je le crois, il est beaucoup plus agreable que Libya-Palace.-

Je viens d'envoyer trois telegramme a Khodja, et si il me repond pas je veux bouger tous tombé, parceque ce pas possible travaillé comme ça, je lui demande de venir a Rome, pour lui remettre toute la documentation-ons, et je lui ecris, que demande pour vous faire si on peux conclure une concession avec une garantie allemande, pour s'assure completement avec un affaire.- Mais pas de reponse

DEFENDANT'S EXHIBIT 29

alors comme ça ne disposait pas
de s'engager avec des gens pareils
et comme Hamer devrait avoir alors
je veux bien dire quoique il devrait
dire

Merci et l'espoir
à bientôt

Peter

DEFENDANT'S EXHIBIT 29

Translation from French

March 20 /6 5.

My Dear Friend:

I just received your letter and I am less concerned since I know the Hotel Phonicia, it is much more agreeable then Libya Palace.

I sent third telegram to Khogia and if he doesn't answer I will drop everything, because it is not possible to ~~work~~ do business, in that manner, I ask him to come to Rome to deliver to him all the documentation, and I write to him, that he should ask his brother-in-law whether one can conclude a concession with a German group so as to be assured completely of making a transaction. But no reply hence it is difficult to deal with serious people, ~~and since~~ Hammer is coming I want to tell him what he must say.

Friendly greetings and I hope to see you soon.

Yours,

Galic

DEFENDANT'S EXHIBIT 31.

1

1945

Paris 8. VI

Mon cher,

je vous envois votre lettre ou vous m'annoncez que vous m'avez annoncé 12 jours avant tous le monde, ne Khoja ne vous savez pas que le jours d'ouverture, il-y-a seulement Dr Hainer qui a pu, je ne sais pas d'ou, mais lui a toujours su avant tous les monde, chaque fois que vous m'avez dis dans 10 jours ou 20 jours lui m'a dis non. —

La situation d'aujourdhui ne pas très favorable, il ne reste que Ozbi et après la conversation avec lui, lui est sure de lui, et a reffusez de collabore dans cette affaire avec Khoja, parceque lui a dis que il-y a 5 membres dans le conseille et que le ministre étais foire quelque il veut premier Ministre et les autres. —

Quand j'étais a Rome Khoja me dis que il va passer 5-10 jours

DEFENDANT'S EXHIBIT 31

avant tous le monde. — et la fin vous avez pris avant lui et Hauer avant tous le monde, ou je ne puis point vis-a-vis de lui comme un enfant. —

Dr Hauer et Ogbi dois se voir a Rome et Dr Hauer veut changer le contrats, je ne pais pas encore que, je ne puis le comprendre au telephone, je vais voir. —

Kogia demande que je prefinance les machines, jusqu'a le ministres sont a Berlin mais que il vont venir a Tripoli 17 ou 18 et que il va arranger le signature necessaire je veux regarder si je peux partir pour 24h et que je m'apercois moi meme, mais je vous dis que je commence avoir assez. —

Maintenant tous le monde sais votre histoire a Tripoli, et si vous avez presse le monde avant, il vous pardonerons mais comme ces sont furieux. —

Mon opinion vous risque rien je ne pais pas quelle est la convention entre le

71-7

DEFENDANT'S EXHIBIT 31

France et Libya. —

L'attaché commercial a demandé Kogia si peut venir le voir à peu près ce après demain, alors il peut venir chez lui après demain alors il lui communiquera le dossier, mais comme vous n'avez rien avec lui ferme ce pour qu'ils ne puissent rien faire lui a interdit de vous voir. —

Je vous prie si vous m'écrivez écrivez moi sans votre propre. —

Après la conversation d'Ogly et Homer je vous la communiquerai, si ils n'arrivent pas à le faire sans moi, mais j'espère que oui, mais de la j'attends pas beaucoup il-y-a quelques chose que je compte pas où me voir. —

Mes salutations

J'ai parlé avec Pangu qui a engagé de faire avec Kogia, mais Kogia a eu plus de prise. —

DEFENDANT'S EXHIBIT 31

TRANSLATION FROM FRENCH

Paris, June 8 1965

My dear,

I send you your letter in which you announce to me that you have told me 12 days before anyone, neither Kogia nor you have known the date of the opening it is only Dr. Hammer who has known, I do not know from where, but he is always in advance of everybody, each time you told me in 10 days or 20 days he told me no.

The situation today is not very favorable, there remains only Ogbi and after the conversation with him, he is sure of himself and he refuses to collaborate in this matter with Khogia, because he says that there are five members in the council and that the Minister must do whatever he wishes Prime Minister and the others.

When I was in Rome Kogia told me that he will know 5 - 10 days before everybody, and yet you have known before him and Hammer before everybody, and I felt with regard to him like a child.

Dr. Hammer and Ogbi are to see each other in Rome and Dr. Hammer wants to change the contract, I do not yet know how, I cannot understand him on the telephone, I will see.

Khogia asks that I prefinance the machines, because the Ministers are in Beida but that they will come to Tripoli on the 17th or 18th and that he will arrange the necessary signature I will see whether I can go for 24 hours and I will see for myself but I tell you I begin to have enough.

Now everybody in Tripoli knows your story and if you had forewarned people, they would have forgiven you but this way they are furious.

DEFENDANT'S EXHIBIT 31

In my opinion you are not risking anything I do not know what is the convention between France and Libya.

The commercial attaché asked Khogia to come to see him Tuesday, today, hence he will be there today and he will show him the file, but since you have nothing definite to do with him it is not embarrassing but his brother-in-law has prohibited him from seeing you.

I ask you if you write to me write without putting your name on paper.

After the conversation between Ogby and Hammer I will communicate it to you, unless they try to have it without me, but I hope not, but from that I do not expect much there is something that I do not understand we shall see.

My salutations.

s/ Galic

P.S. I spoke with Pouzens who tried to make a deal with Kogia but Kogia has been afraid to do anything.

2135a

DEFENDANT'S EXHIBIT 32.

10. VII /65

Cher Kamerad Rossi,

Je suis rentré hier de Tripoli, je suis allé avec mon frère, parceque les machines ne peuvent être livré le 30 juillet dans le bâtiment, et je veux que il soit lui, parceque moi je pas de temps, Khojia il ne pas obtenu aucune crédit, il me dis que tous le ministère va perdu, ça je comprends pas, j'ai donné organisation, l'argent et il me rien fait!

J'ai vu Ogli, de facto j'voulais savoir si il y a pas quelque chose sous la toile, mais je me suis demandé que il y a pas, parceque il me demandez si je peut reprendre contrat avec Dr Hamer ou avec quelque autre, je lui promis que je veux essayez, mais croyez moi, je ne toucherais pas, je viens d'apporter le journal le quelle me donné Khojia en Ministre président a fait un discours, comme aujourd'hui

DEFENDANT'S EXHIBIT 32

2

et jeudi je vous ferai une photocopie à lundi et je vous enverrai. - Avec beaucoup de difficulté je tiens de Ogby 200. - Il voudrait quelle me le donne avec Ogby. -

Il voulais absolument que je reste Satif, mais je lui ai dis que je retourne, parceque dans le moment j'ai personne dans le magasin. —

J'ai la confirmation absolue de Alber il a coupé le financement pour la Libye et il lui a donné une autorisation de Trois mois seulement 25% et le reste est contrôlé par des amis à lui. -

Il y a la conference de petrole à Tripoli, et en rentrant de Piemonteze à CASABLANCA j'ai vu le Vice-Pere de Libye je le salue, mais il ma pas repondu, je demandais à Libye Ennel il m'a vu à aeroport, et il ma dis peut être il vous a pas reconnu. (ce possible mais je

DEFENDANT'S EXHIBIT 32

- cris fois, cette fois j'ai même fait demandé à Khyar de le voir, comme il m'a refusé 2 fois, et comme je ne sais et après cette article je ne le ferais plus. -

Ayant les machines dans 15 jours, je me demande est-ce que Khyar me obtiendra mais un petit contrat ? on a parlé de vous, il a dit j'ai l'avion bien mais je ne peut pas me permettre de le contacter, mais il était d'accord si on fait une bonne opération avec les intérêts de vous récompenser, il a un très bon cœur et il est honnête mais il trouve très difficile, il faut quelqu'un à côté de lui qui le pousse. -

Bien sincèrement

Il m'a dit de me téléphoner demain, et il demande si il y a quelqu'un chez, il pense que nous sommes avec lui, j'ai dit ça quelque fois !

DEFENDANT'S EXHIBIT 32

Translation from French

July 10

Dear Mr. Rovin:

I have returned from Tripoli yesterday, I went with my brother, since the machines will be delivered to me on July 30 for the building and I want that it be he, because I do not have time, Khogia has not obtained any credit, he tells me that all the ministers are at Beida, I do not understand that, I have given organization, money and he has done nothing!

I have seen Ogbi, in fact I wanted to know whether there is something under the table but I am convinced that there is nothing because he asked me whether I could again contact Dr. Hammer or somebody else, I promised him that I will try, but believe me, I would not touch it, I have just brought the newspaper that Khogia gave me in which the Prime Minister made a speech, since today is Saturday I will make a photo copy for you on Monday and I will send it to you. With great difficulty I drew from Ogby L200 really what bad luck with Ogby.

He absolutely wanted that I see Satif, but I told him when I return, since for the moment I have no one in the hand.

DEFENDANT'S EXHIBIT 32

I have absolute confirmation from Allen that he has cut off the financing for Libya and he gave him a participation in Iran but only 25% and the balance is controlled by his friends.

There is the oil conference in Tripoli and in returning from Piemontese to Uadam I saw the brother-in-law of Khogia I greeted him but he did not respond, I asked [illegible] when he took me to the airport and he told me maybe he did not recognize you (it is possible but I do not believe it, this time I did not even ask Khogia to see him, since he refused me twice, and since I have nothing and after this article I shall not try again.

Having the machines in 15 days, I am wondering whether Khogia can obtain even a small contract? We talked about you, he said that I liked him very much but I cannot allow myself to contact him, but he was in agreement if we make a good transaction with the buildings to recompense you he has a very good heart and he is honest but he moves with great difficulty, he needs somebody with him to push him.

Very sincerely,

s/ Galic

Assous just called me, and he asked me whether there is anything, he thinks that we do without him, I told him what I think!

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

2140a

DEFENDANT'S EXHIBIT 33.

Paris, le 13 Juillet 1965.

Cher Monsieur de Rovin,

Merci de votre lettre. Je n'ai pas besoin de faire faire une photocopie du journal de Tripoli, je viens de recevoir votre lettre et je vois que vous êtes au courant.

Comme je vous ai dit, j'ai été à TRIPOLI avec mon frère, je m'y suis arrêté 24 heures à propos du batiment. Je vous répète que Monsieur OGBI n'a pas d'arrangement secret avec Dr. HAMMER; je l'ai constaté absolument, parce qu'il m'a demandé de reprendre contact et de l'autre côté ALLEN a refusé le financement.

Avec KHOGIA je n'ai même pas parlé du pétrole. D'ailleurs il m'a dit lui-même qu'il était très heureux de n'avoir rien fait dans ce domaine et à la fin, je vois aussi que son beau-frère a évité tous les contacts et toutes les dispositions à ce sujet.

Comme je vous ai indiqué, j'ai demandé deux fois rendez-vous à KHOGIA, et deux fois il m'était refusé. D'ailleurs, j'ai pu constater aussi, si on veut obtenir quelque chose, c'est seulement par la famille royale, mais malheureusement, , je viens d'apprendre cela trop tard. C'est le seul chemin.

OGBI fait des racontars. Il était peut être possible par KHOGIA, mais son beau-frère a refusé cathégoriquement.

Même s'il voulait, je ne serais pas en mesure de trouver une firme, il y aurait une telle surenchère que pratiquement cela ne serait plus d'aucun intérêt. Quant à moi, j'ai déjà oublié tout cela.

DEFENDANT'S EXHIBIT 33

Je vais voir maintenant avec KHOGIA ce que nous pourrons faire avec le batiment. J'espère que cela marchera et lui-même m'a dit que si nous réalisons quelque chose, vous allez toucher une commission.

Vous me dites que vous voulez me voir après le 15 crt. Je pars après demain pour BAD GASTEIN où je vais voir ma mère, j'y resterai deux jours. Je rentrerai à PARIS par la Côte et je pense être de retour vers le 20/21 crt. Où voulez-vous que nous nous rencontrions : à Paris, à Rome ou à Genève ?

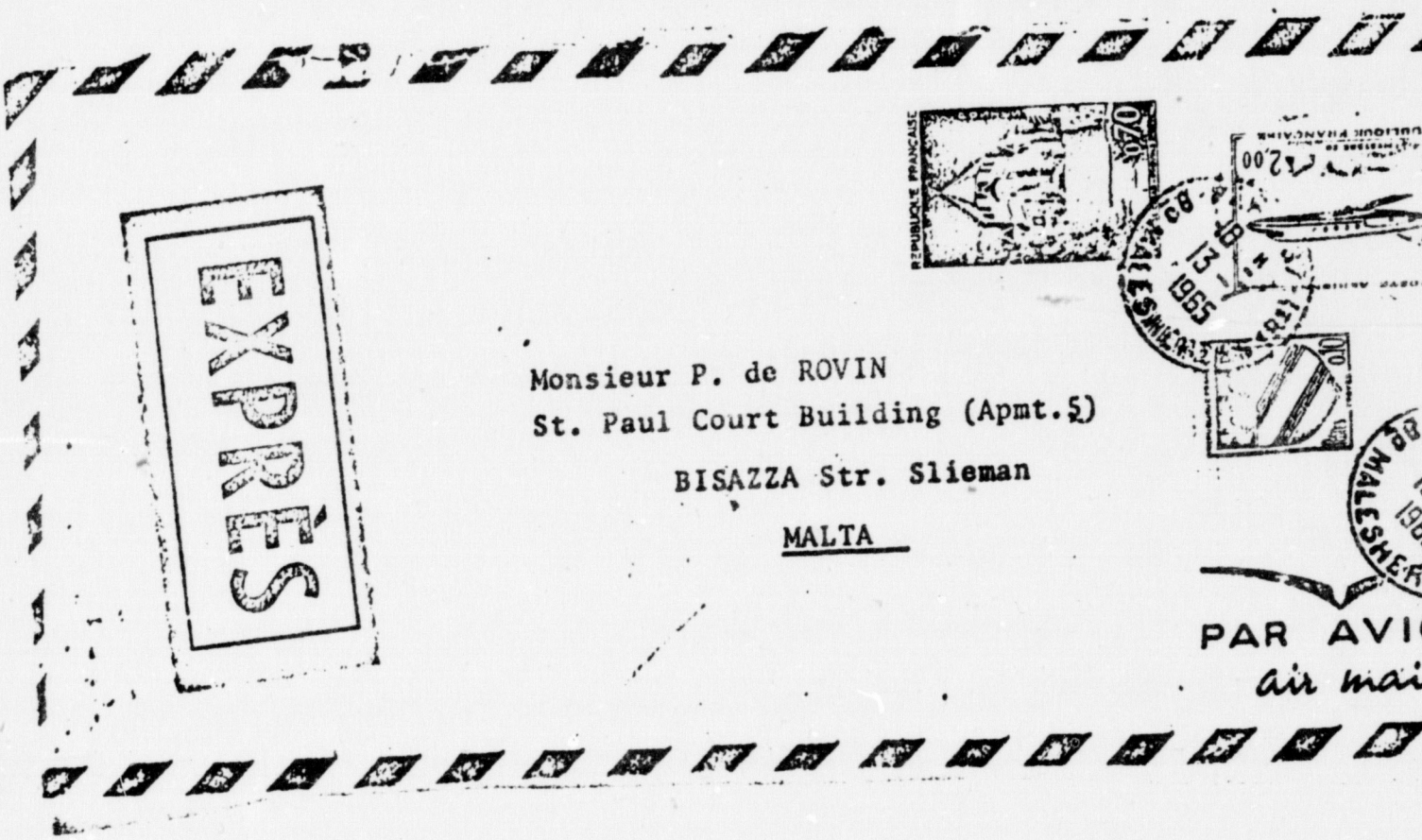
Mr. Assous m'a téléphoné hier. Il y a encore deux plaintes de déposées contre vous. Je ne voulais pas entrer en conversation avec lui, mais vous avez son adresse, écrivez-lui, il vous donnera les renseignements nécessaires.

Je viens de recevoir une lettre d'un de vos amis de MALTE pour affaire de pétrole sur la côte maltaise, mais je ne sais pas qui contacter, puisque cela ne me parait pas très favorable.

De l'autre côté, vous savez que j'ai dépensé pas mal pour les affaires de pétrole, avec OGBI, j'en suis dégouté.

J'attends donc votre lettre pour me fixer une rendez-vous à Rome ou à Genèvre, je ne vois pas la possibilité à Paris.
Vous pouvez me téléphoner à la maison entre 8 et 9 h du matin, les communications avec Malte sont bonnes et rapides.

Meilleures Amitiés


EXPRES
Monsieur P. de ROVIN
St. Paul Court Building (Apmt.5)
BISAZZA Str. Slieman
MALTA
PAR AVI
air mai

DEFENDANT'S EXHIBIT 33



DEFENDANT'S EXHIBIT 33

Translation from French

Paris, July 13, 1965

Dear Mr. DeRovin,

Thank you for your letter. I don't need to make a photocopy of the Tripoli newspaper, I just received your letter and I see that you are up to date.

As I told you, I was in Tripoli with my brother, I stayed there 24 hours concerning the building. I repeat to you that Mr. Ogbi has no secret arrangement with Dr. Hammer; I have found it as an absolute fact, since he asked me to renew contact and on the other hand Allen has refused the financing.

I have not even talked to Khogia about oil. Moreover he told me himself that he was very happy not to have done anything in that matter and in the final analysis, I also see that his brother-in-law has avoided all contacts and any dispositions with respect to this matter.

As I indicated to you, I twice asked Khogia for an appointment and twice it was refused to me. Moreover, I have also found out that in order to obtain something, it is only through the royal family, ~~but unfortunately,~~ I learned it too late. This is the only way.

Ogbi tells gossip. May be it was possible through Khogia but his brother-in-law has categorically refused.

Even if he wanted to do it I would not be in a position to find a firm, there will be such bidding that practically that would present no interest whatsoever. Insofar as I am concerned I have already forgotten all of that.

I will see now through Khogia what we can do with respect to the building. I hope that it will work out and he himself told me that if we accomplish something you will get a commission.

DEFENDANT'S EXHIBIT 33

You tell me that you would like to see me after the 15th of this month. I am leaving day after tomorrow for Bad Gastein where I will see my mother, I will stay there two days. I will return to Paris by the Côte and I hope to return around the 20 or 21 of this month. Where do you want to have our meeting: in Paris, in Rome or in Geneva?

Mr. Assous talked to me on the telephone yesterday. There are still two penal complaints filed against you. I don't want to start a conversation with him, but you have his address, write to him, he will give you the necessary information.

I just received a letter from one of your friends in Malta with respect to an oil matter on the coast of Malta, but I do not know whom to contact since it does not appear to me to be too favorable.

On the other hand, you know that I have spent not little for oil matters with Ogbi, I am disgusted.

I am awaiting your letter to arrange a meeting in Rome or in Geneva, I do not see the possibility in Paris.

You can call me on the telephone at home between 8 and 9 o'clock in the morning, the communications with Malta are good and fast.

Best regards

F. GALIC

2145a

1965

DEFENDANT'S EXHIBIT 35.

20.17.

Mon cher M. Rossi, 20/9/65

J'vous envois le cable que j'viens de recevoir de Ozby mais ça ne l'autorisation et s'il ne pas envoyez l'argent il pense ne prendre pas un individu.—

J'ai obtenu ce matin par U.S.S a le jeune de Libie, mais j'sais quelque chose il vont reprendre.—

Moi aucune nouvelle il y a dans le journal que les commissions vont être donné sincèrement.—

Je ne pas reçu le photos de vous?!

J'ai oublié et envois a Khogia aucune réponse.—

Demain Tat je pense partir pour 7-8 jours, j'partirons pour apprendre le nouvelle.—

DEFENDANT'S EXHIBIT 35

Je ne sais qui pense. —
Peut être de Lucia on peut savoir
Quelques chose. —

Mes salutations

R

DEFENDANT'S EXHIBIT 35

NNNN

20/9/65

ZCZC LPA377 FFC288/608 QGA2061

FRPA

TRIPOLILIBYA 38/36 19 1145

ELT

GALIC 41 RUE SPONTINI

PARIS

YOURS 18TH BARCLAYS CREDITED USD 7588.80 THROUGH BANK LIBYA NUMBERS BC15291/5293 ON 5TH SEPTEMBER STOP ANY OTHER ASSURANCE MAY BE OBTAINED FROM BANK LIBYA BY QUOTING ABOVE NUMBER REGARDS

ELOGBI

DEFENDANT'S EXHIBIT 35

Translation from French

September 20

My dear Mr. Rovin:

I am sending you the cable that I just received from Ogby but this is the authorization and he has not sent the money he takes me for an imbecile .

I cabled this morning through UBS the Bank of Libya, but I know how they will reply.

I have no news, there is in the newspapers that the concessions will be given at any moment.

I have not received the photocopy from you!

I cabled and wrote to Khogia no answer.

As soon as I can leave for 7 - 8 days I will go to find out the true truth.

I don't know what to think. Possibly one can learn something from Lucia.

My salutations,

GALIC

2149a

DEFENDANT'S EXHIBIT 36.

HÔTEL DE PARIS
MONTE-CARLO
TELEX TURINOTEL
TELEPHONE
30-80-30 / 30-11-28
TELEX 479-925

8/10/65

8.10.

Chez Monsieur de Rossi,

Si je dois vous répondre ce quelque vous montez, croyez moi ce sera vraiment terne. —

Je vous répondrai pour vos réponses et je vous autorise de le démontrez au personne intéressé. —

(M. Beurthem et M. Clebs) pour votre savoir, je ne parle plus avec eux a coté de vous, ces eux qui sont venus en general tam-tams avec les renseignements officielle a Hamer, je dis que je peux pas le croire, je ne peux pas autre chose faire quand vous parlez de quelque que vous connaissez de puis long temps et quand il vous vient, Voila votre connaissance". —

Pour vos introductions en-libye, pour montant que me coûte de l'argent, enfin j'ai reçu avoir l'argent d'Ogby avec 1.250. - $ de perte pour le Paris

1 361

2150a

DEFENDANT'S EXHIBIT 36

HÔTEL DE PARIS
MONTE-CARLO
TELEX : HOTEL PARIS
TELEPHONE
30-80-80 (30 LIGNES)
TELEX : N° 46-825

2

que j'ai eu. — Que moi je vous — detruite
a Tripoli, je voudrais voir une seule per-
sonne, je ne suis pas stupide étant donné
que j'étais du matin au soir avec vous
il-y-a pas proverbe, Dis moi avec qui tu
est que je te dis quelque tu est. —
A Lucien qui me demandez de
faire quelque chose avec vous et lui, j'lui
est dis impossible pour moment, jusque
vous ne fromez confiance, je suis prêt de
faire et aidez mais pas officiellement, seule-
ment de point une lumière. —
Si je fais quelque chose a
Klopfer et porte un benefice sans aucune
discussion vous allez avoir votre commission
Je ne vais pas prendre les
machines, avant avoir contrôlé. —
Je preferes encore me faire voler
mais pas jeter, encore la dernière fois
si j'ai ne pas quelque chose dans la

2151a

DEFENDANT'S EXHIBIT 36

HÔTEL DE PARIS
MONTE-CARLO
TELEX : MT 48-925

aussi, partagé je ne sais pourquoi d'alleg
au diable vert et perdre de l'argent en
France en Italie avec l'argent, vous avez
1000 propositions par jour. —

Quelque vous pouvez
a une pensée, vous avez tous les
jaunes - Suisse et les renseignements
Généraux de vous donner toute ma
vie. —

Ce me fait mal d'attendre
de vous ce, partagé par mon sentiment
méditerranéen et sentimentalité et a
regarde de votre âge, j'ai reçu beaucoup
de giffle et refusée, mais je dis ne
a pas de condamner pour ça et le Dieu, et
si il y a Quelque qui vous a aidé
aussi ce aussi, j'ai de plaie
encore engonflé, un jour vous allez
me demander d'être aimé. - Pour aujourd'hui
merci pour lui et Hasser, mais je continue mon
process. —

Bien amicalement

36-3

DEFENDANT'S EXHIBIT 36

Translation from French

8/X.

Hotel de Paris
Monte Carlo

Dear Mr. de Rovin:

If I must answer you that which you deserve, believe me that would be surely good. --

I reply to your reproaches and I authorize you to show it to interested person. --

(Mr. Bena Hun and Mr. Clehe) for your information, I do not speak any more with them because of you, it is they who came with a big tam-tam with the official information to Hammer, I say that I cannot believe it, I cannot do otherwise when you speak of someone that you know for a long time and when he comes to you "there is your acquaintance". --

For your introductions in Libya, for the moment that costs me money, at last I have succeeded to have the money of Ogby with $420 of loss for the expenses that I have had. -- That I have destroyed you in Tripoli, I would like to see a single person, I am not stupid being given that I was from morning to night with you there is a proverb "Tell me with whom you are that I tell you who you are. --

To Lucia who asked me to do something with you and him, I have told him it is impossible for the moment, until you prove the contrary to me, I am ready to do and help but not officially, only from the human point of view. --

If I do something to Khogia and obtain a profit without any discussion you will have your commission.

I do not wish to take the machines, before having contract. --

I prefer once again to come but that will be surely the last time if I do not have something in hand, because I do not need to go to the green devil and lose money, in France in Italy with money, you have a thousand propositions every day. --

And whatever you reproach to my morality, you have all the Swiss banks and general information to give you all my life.

DEFENDANT'S EXHIBIT 36

It hurts me to expect that from you, because for my Mediterranean sentiment and sentimentality and with regard to your age, I have received many slaps and reproaches, but I say one must not condemn for that and God, and if there is someone who has helped you believe me it is me, I have wounds even today, someday you will beg my pardon -- for Ogby so much the better for him and Hamer, but I continue my law suit. --

Greetings

ONLY COPY AVAILABLE

DEFENDANT'S EXHIBIT 37.

3. XII. [illegible]

Cher Monsieur de Rossini,

Je viens de recevoir Votre lettre, ce drôle que Khoja a mon nom parlez.-

Comme il nous a dit que le conseil politique d'Ogby a fini, alors il aurait probablement honte.-

Comme Vous avez en toujours de bons renseignements ce très probable.

Je ne vois l'utilité pour moi ni Ogby ni Kalroji, je fais adjudication alors si ce va se bien si non je veux pas m'mettre de plus encore d'ennuis pour avoir la contre valeur. —

Je vient écrire aujourd'hui a Khoja, mais comme il répondra

ONLY COPY AVAILABLE

DEFENDANT'S EXHIBIT 37

J'avais, je ne sais pas si je peux vous dire ma vraie, si vous avez envie moi. —

Aussi je ne pas de vraie il y a 3 mois, et je ne veux pas téléphoner, ce pas une réaction pour moi. —

Mes salutations —

DEFENDANT'S EXHIBIT 37

Translation from French

December 3rd 1965

Dear Mr. DeRovin:

I just received your letter and it is strange that Khogia said nothing to me.

Since he told us that the political career of Ogby is finished then he probably is ashamed.

Since you always had good information it is very probable.

I dont' see the usefulness for me neither Ogby nor Kabazi, I am submitting my bid then if it goes all right good, otherwise I don't want to invest even 1 centime without having countervalue.

I will write today to Khogia, but since he never answers, I don't know whether I can give you news, if you have write to me.

I have no news from Assous for 3 months, and I don't want to telephone, it is not a relation for me.

My salutations,

GALIC

ONLY COPY AVAILABLE

2157a

DEFENDANT'S EXHIBIT 39.

Translation from French.

June 2, (1966)

Dear Mr. Rovin:

I just had a discussion but I had not arrived at the result. He offers me $50,000 and $50,000 possibly in five years. If he stops looking for oil he stops paying.

I left the question open. I have not refused. I have asked for $200,000 but I believe that he will accept when he arrives in Europe.

I have learned the truth. Ogby did very little and Kabazi nothing at all. This I told you in Rome. I am leaving for New York and Tuesday for Paris.

My Salutations.

GALIC

DEFENDANT'S EXHIBIT 40.

HÔTEL DE PARIS
MONTE-CARLO
Telex PARINOTEL
TELEPHONE
30-80-30 (30 LIGNES)
TELEX : MC 469-998

7/4/60

7.IV

Cher Maître de Rossi,

Je viens de recevoir Votre lettre, et je viens de recevoir des mes avocats de N.Y la réponse de ces avocat, que on va prendre une décision dans un délai de 10 jours. -

Je veux répondre de me faire libre pour 4 jours et partir a Tripoli, mais pas avant le 15 mai, entre temps j'espère d'avoir des renseignements, mais je suis a même point que vous, tous ce approximative. -

Une chose et sure que Hamer dois hier mercredi a Rome et que il est partis a 4.21 h pour Tripoli maintenant est que il a signer ou non

40-1

2159a

DEFENDANT'S EXHIBIT 40

HÔTEL DE PARIS
MONTE-CARLO
Teleg.: PARINOTEL
TÉLÉPHONE
30-80-80 (30 LIGNES)
TELEX : N° 46-925

Je ne pars pas, mon avocat me dis que la meilleure chose est pour nous que contrat soi signer ! et j'espere que sera. —

Il ne pas de procureur hongrois mais juste, mais il est israelite, alors on ne voi, j'espere que ils vont pas appreudre, puisque notre positions et forte si il signe, et ça j'espere. —

Si j'ai d'autres nouvelles je vous le communiquer. —

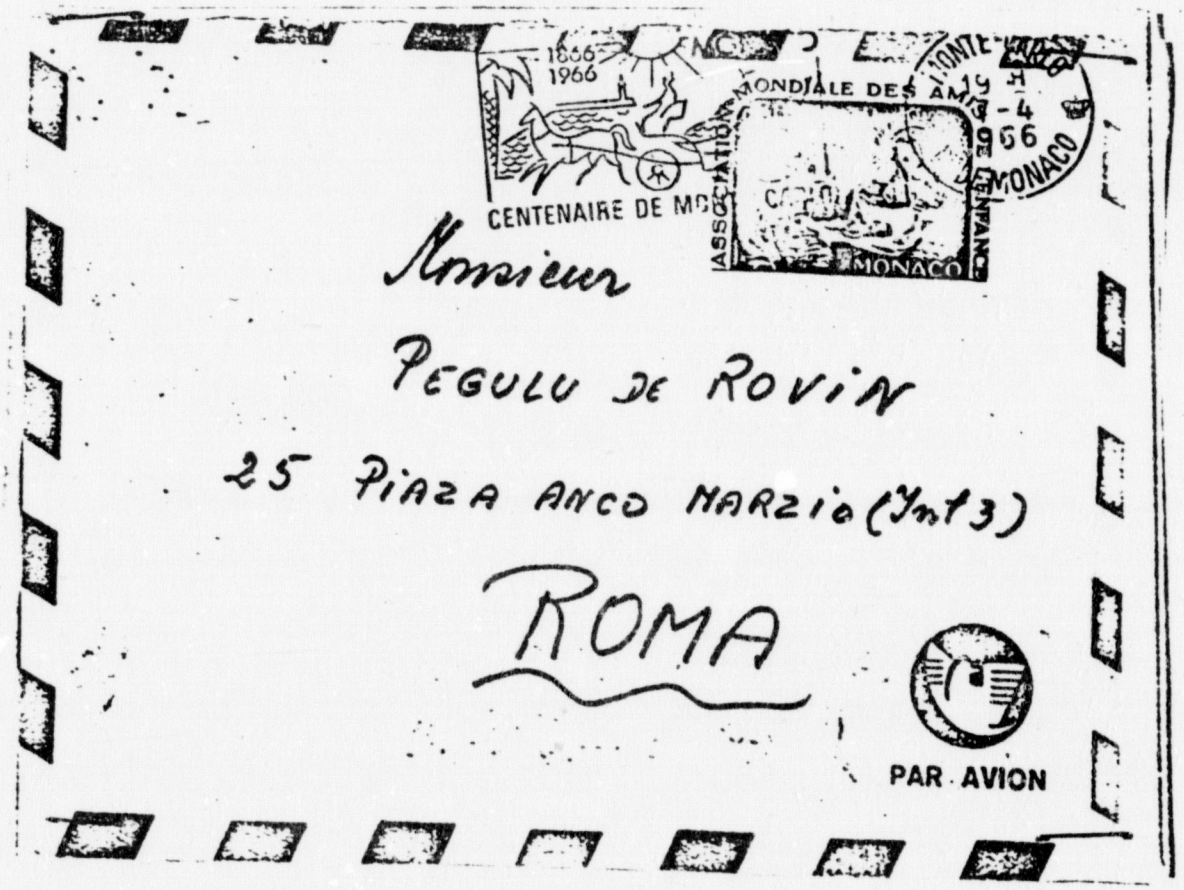
Je reste encore 7 jours ici pour me reposer, jusque 15-16 avril. —

Mes meilleurs salutations

[signature]

40-V

DEFENDANT'S EXHIBIT 40



DEFENDANT'S EXHIBIT 40

Translation from French

7 IV

Hotel de Paris
Monte-Carlo

Dear Mr. de Rovin:

I have just received your letter and I have just received from my New York lawyers the answer of these lawyers, that a decision will be taken within a period of 10 days.

I will try to (see) to make myself free for 4 days and leave to Tripoli, but not before May 15, in the meantime I attempt to have information, but I am at the same point as you, all is approximate.

One thing is sure that Hamer was yesterday Wednesday in Rome and that he left at 4:25 for Tripoli - - - is that he has signed or not, I do not know. My lawyer tells me that the best thing is for us that contract be signed! and I hope that will be.--

He is not of Hungarian origin but Russian, but he is Israelite, then one will see, I hope they will not learn, because our position is strong if he signs, and that I hope. --

If I have other news I will communicate them to you.

I remain 7 days yet here to rest, until April 15-16.

My best wishes,

DEFENDANT'S

2162a

DEFENDANT'S EXHIBIT 43.

Filed
U. S. Dist. Court
S. D. of N. Y.

67 Civ. 4011

& COMPANY

Established 1922

30 BROAD STREET, NEW YORK 4 • HANOVER 2-2600

D-43

August 2, 1966

VIA AIR MAIL

Mr. Paul C. Hebner, Secretary
Occidental Petroleum Corp.
10889 Wilshire Blvd., Suite 1460
Los Angeles 24, California

Dear Mr. Hebner:

In connection with a regular audit of our books as of July 31, 1966, will you kindly confirm directly to our auditors, Messrs. Katz, Zuckerman & Company, 50 Broadway, New York, N.Y. 10004, the balances, as of that date, of our investments with you in the following programs:

1. Spring 1962 Joint Venture
2. Mid-Summer 1961 Joint Venture
3. Any other program in which we have a participation

Also, please advise them as to the present status of these Joint Ventures.

Very truly yours,

ALLEN & COMPANY

DEFENDANT'S EXHIBIT 44.

DEFENDANT'S
IDENTIFIED

D-44

OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY
BAKERSFIELD, CALIFORNIA 93309
AREA CODE 805
PHONE 327-7351

August 12, 1966

Messrs. Katz, Zuckerman & Company
50 Broadway
New York, New York 10004

Re: Allen & Company, Participants
in Occidental Petroleum Corp.
Drilling Programs

Gentlemen:

In response to Allen & Company's letter of August 2, 1966, regarding the investment balances of Allen & Company at July 31, 1966, the attached schedules are submitted on the following programs:

(1) Mid-Summer 1961 Joint Venture
(2) Spring 1962 Joint Venture
(3) 1963 Occidental Petroleum Exploration Program

Your request for information regarding the status of these Joint Ventures has been given to our Exploration Department for reply.

Should you need additional information, please let me know.

Very truly yours,

OCCIDENTAL PETROLEUM CORPORATION

C. N. BAILEY, Controller,
Oil & Gas Division

CNB:BRT:kf

Attachments

cc: Allen & Company

DEFENDANT'S EXHIBIT 44

MID-SUMMER 1961
Allen & Company
July 31, 1965

	Allen & Co. Share
ASSETS	
Undeveloped Leases	$ 321.97
Lease and Well Equipment	684.22
Reserve for Depreciation	(157.63)
Developed Leases	-0-
Reserve for Depletion	-0-
	$ 848.56
INCOME (1966)	
Oil and Gas Sales	$ 97.05
EXPENSES (1966)	
Production Expenses	$ 10.00
Mineral Taxes	10.41
General and Administrative	12.00
	$ 32.41
Net Income (Loss)	$ 64.64
WITHDRAWALS (1966)	$ 97.05
CAPITAL INVESTED	
Group 1	$ 546.99
Group 6	333.98
	$ 880.97

DEFENDANT'S EXHIBIT 44

SPRING 1962
Allen & Company
July 31, 1966

	Allen & Co. Share
ASSETS	
Seismic	$ 250.41
Undeveloped Leases	1,030.55
Lease and Well Equipment	8,914.61
Reserve for Depreciation	(648.96)
Developed Leases	146.35
Reserve for Depletion	(102.59)
	$ 9,590.37
INCOME (1966)	
Oil & Gas Sales	$ 15,905.00
EXPENSES (1966)	
Intangible Drilling Costs	$ 1.86
Leases Quitclaimed	28.63
Lease Rentals	533.13
Production Expense	720.65
Mineral Taxes	943.74
General and Administrative	13.72
Production Taxes	10.06
	$ 2,251.79
Net Income (Loss)	$ 13,653.21
WITHDRAWALS (1966)	$ 15,895.96
CAPITAL INVESTED	
Group 1	$ 1,160.01
Group 4	10,669.88
Group 5	2.20
	$ 11,832.09

DEFENDANT'S EXHIBIT 44

ALLEN & COMPANY
1963 Exploration Program
Reconciliation of Investment @ 7/31/66

Subscribed Amount:		$ 15,000.00
Election Requests	$ 6,912.05	
Quarterly Billings 1965	1,920.09	
Quarterly Billing 3/31/66	289.46	
Quarterly Billing 6/30/66	44.39	9,165.99
		$ 24,165.99
Advances to be Adjusted		(68.33)
		$ 24,097.66

Investment Reconciliation	
Total Tax Deductions '63, '64, '65	$ 20,136.60
1966 Deductions	749.66
Assets @ 7/31/66	3,211.40
	$ 24,097.66

31

FERDINAND GALIC
41 rue Spontini
PARIS 16.

DEFENDANT'S EXHIBIT 46.

January 13, 1965

Mr. de ROVIN
LIBYA PALACE HOTEL
TRIPOLI

My dear friend:

If you would have taken the trouble of giving me an explanation from the start, it would have been possible to avoid useless cables in view of the fact that from the first I had thought that you were able to obtain something through our friend without the necessity of his making a tender offer. However, according to your cable I understood that this was not the case.

In any case, I have made arrangements with the ALLENS and I shall come with the necessary papers to TRIPOLI two or three days after your cable because I will have to take a geologist from LOS ANGELES and an engineer from HOUSTON with me in order to choose the concessions.

I shall show you the original letter of commission. I must deduct 25% for the ALLENS and 750 will remain for us, 500 of which is for you and your friend and 250 for me and my collaborator.

Moreover, ALLEN and HAMMER must pay what they owe to the Government.

I have refused to see your friend M. ASSOUS since my arrival in PARIS. He was angry that I did not grant him a meeting, but I have my opinion and I know you and not him. He asked me to see him this morning. I again refused him, but I indicated to him that I have received a cable from you and that you are in Libya. He is going to write you because I think that it is in the nature of an important matter.

DEFENDANT'S EXHIBIT 46

31

Why are you pessimistic about SLIM? Could you send me a letter giving me an explanation regarding all of the positive and negative aspects of this business? Can you indicate to me, de facto, who are the parties involved in order to obtain satisfaction in our business? Is it only his uncle or someone in the royal family?

I hope to receive a letter from you very soon because it is difficult to explain oneself by cable, and I hope that after so much trouble and expenses in this transaction, our efforts will be crowned with success.

My best regards to your wife and to you.

Yours very truly,

(Signature)

F. Galic

DEFENDANT'S EXHIBIT 47.

Jan. 4, 1965

URGENT

ROVIN LYBIAPALACE HOTEL TRIPOLILIBYA

I SHALL BE IN PARIS TOMORROW STOP I CAN MEET YOUR CONDITIONS STOP INDICATE WHETHER OBTAINABLE WITHOUT TENDER OFFER HAPPY NEW YEAR

GALLIC

DEFENDANT'S EXHIBIT 48.

TRANSLATION FROM FRENCH

March 19, 1965

Mr. de ROVIN
Hotel PHENICIA
MALTA

My dear Friend:

I received a telegram from you that KHOGIA has not understood my cable.

He asked me to see to it that the rental be paid prior to March 20th. I told him that I got in touch with CLEHE, but that is all that I could do, since I am not directly involved. It is very likely that it will wind up with payment of compensation.

I asked him to come to ROME or PARIS to settle the other matters. If I send him the entire file, he will not understand anything.

For the shipment of oil, the NEW YORK company cannot do it for the time being, it has five ships and has not enough charter for its own needs.

The President will be in Paris in four weeks, or in London, and I will meet him. I have no hope that this will result in any profitable arrangement. I made contacts in London and there it is completely negative.

Dr. HAMMER will arrive on April 1st in London or in Paris and at that time he will terminate his arrangements with OGBI and will make an arrangement with KHOGIA. I asked him to cable me whether his brother-in-law will accept a German group which is ready to make the transaction. I cabled him yesterday that he should come to ROME or to PARIS, but I have not as yet received an answer.

I am awaiting a letter concerning your trip.

Signed: F. Galic

DEFENDANT'S EXHIBIT 49.

TRANSLATION FROM FRENCH

Hotel de Paris
Monte-Carlo

April 7, (1966)

Dear Mr. de Rovin:

I just received your letter and I also received from my New York lawyers the answerof these lawyers that a decision will be taken in 10 days.

I will see to it to make myself free for 4 days and go to Tripoli, but not before May 15th, in the meantime I am trying to obtain information, but I am in the same position as you, everything is approximate.

One thing is certain, that Hammer was in Rome yesterday Wednesday and that he left at 4:25 for Tripoli. It's interesting to know whether he signed or not, I don't know. My lawyer tells me that the best thing for us would be if the contract is signed! and I hope that it will be.

He is not of Hungarian origin but Russian, but he is Jewish, then we will see, I hope they will not learn it, because our position is strong if He signe and I hope so.

If I have other news I will not fail tc communicate them to you.

I am staying 7 more days here to rest until April 15-16.

My best wishes,

signed: P. Galic

DEFENDANT'S EXHIBIT 50.

TRANSLATION FROM FRENCH

Ferdinand Galic February 22, 1966

Dear Mr. Rovin:

I just learned that Occidental has obtained the concessions and that Ogbi was a member of the Petroleum Commission.

If you could learn from Lucia what numbers? and whether he has signed, since we cannot do anything before he has signed. After that we can ask for "Moral damages". This is the main thing plus loss of profit as well as expenses, etc.

I hope to have news from you.

Greetings,

Signed: F. Galic

2173a

DEFENDANT'S EXHIBIT 51.

Deft EXHIBIT G-49
for identification
7/11 , 1969
Jack Finz, Reporter

FERDINAND GALIC

41, Rue Spontini

PARIS 16°

Paris, le 15 Mars 1966

Monsieur FFL PUGULU DE ROVIN

piazza Anco Marzio 25
(Int.3)

LIDO — Ostia
Roma

Cher Monsieur,

J'ai bien reçu votre lettre du 12 Mars. Je ne pense pas que vous avez raison, car l'intervention qui a été faite pour l'OCCIDENTAL est venue de très heut lieu. Je ne sais pas encore de qui, mais croyez-moi, je vais le savoir.

Finalement, s'il y a quelqu'un qui a été vraiment pris dans cette affaire, c'est moi. C'est moi qui a introduit OCCIDENTAL et c'est encore moi qui a prêté de l'argent à tous les intermédiaires, et je n'ai reçu aucun remboursement. Les frais de voyages supportés par moi, s'élèvent à une somme importante. Et, en fin de compte, tout le monde cherche à éviter de répondre.

Je viens d'écrire à Monsieur ALLEN qui m'a introduit auprès de OCCIDENTAL pour qu'il me soutienne à mon procès, car moralement, il est responsable.

C'est aussi beaucoup de ma faute, je me suis basé sur votre parole que les concessions puissent être obtenues par gré à gré, et après c'était par adjudication serrée. C'est ce que Monsieur ALLEN m'a reproché hier. Vous auriez pu m'éviter cela. Cela sera mon point faible lors du procès.

En plus, je me trouve aujourd'hui avec un lot de machines sur le dos que j'ai acheté pour la Libye. Il n'est pas question que je le donne à une association avec Khogia, c'est un très gentil et brave garçon, mais il est bien pour être

DEFENDANT'S EXHIBIT 51

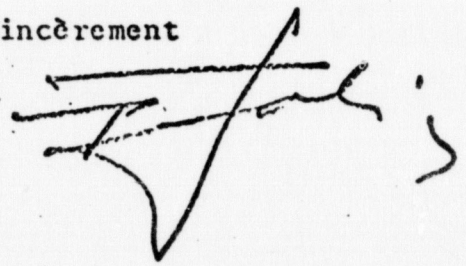
employé à la poste ou à la gare, mais non pour conduire une entreprise.

En faisant aujourd'hui l'analyse de toutes les personnes, je vois que je n'ai pas été très intelligent, et je ne fais de reproches à personne, seulement à moi-même.

Je pense que vos possibilités de procès sont très fortes. Après tout, c'est moi qui vous a introduit auprès d'Occidental et recommandé pour être agent d'Occidental, je pense que vous pourrez tirer entre $ 100.000-200.000 de dommage. En tout cas, je vais demander beaucoup plus, on va voir ce que cela va donner.

Je vais partir pour les Etats Unis dans 2 à 3 jours et à mon retour, dans 3 semaines, je serai à ROME. Je ne manquerai pasd e vous téléphoner.

.... Sincèrement



DEFENDANT'S EXHIBIT 51

TRANSLATIONS FROM FRENCH

Ferdinand GALIC
41 Rue Spontini
PARIS 16e

Paris, March 15, 1966

Mr. FFL PUGULU DE ROVIN
Piazza Anco Marzio 25
(Int. 3)
LIDO - OSTIA
Roma

Dear Sir:

I received your letter of March 12th. I do not believe that you are right, since the intervention which had been made for OCCIDENTAL came from somebody in a very high position. I do not know yet who it was, but believe me I will learn it.

Finally, if somebody is really the victim in this matter, it is myself. I was the one who introduced OCCIDENTAL and again it was I who made loans of money to all the intermediaries and I have not received any reimbursement. The travel expenses borne by me aggregate an important sum of money. And, in the final analysis, everybody tried to avoid answering.

I just wrote to Mr. ALLEN who introduced me to OCCIDENTAL to ask him to support me in my lawsuit, since morally he is responsible.

It is also to a great extent my own fault, I relied on your statement that the concessions could be obtained by negotiation and then it was by tough bidding. This is what Mr. ALLEN reproached me yesterday. You could have avoided that. That will be the weak point in my lawsuit.

DEFENDANT'S EXHIBIT 51

Furthermore, I find myself today with a quantity of machines which I purchased for Libya. It is out of the question that I would give them to a partnership with Khogia. He is a very nice and decent fellow, but he is only fit to be an employee of the post office or the railroad station, rather than to manage a business.

In making today an analysis of all the persons involved I find that I was not too bright and I make no reproaches to anyone except to myself.

I believe that your possibilities of successful lawsuit are very great. After all, I was the one who introduced you to Occidental and recommended you to be Occidental's representative, I believe that you could obtain from $100,000 to $200,000 of damages. In any event I will ask for much more and we will see what will be the result.

I will leave for the United States in 2 to 3 days and upon my return in 3 weeks I will be in Rome. I will not fail to call you on the telephone.

Sincerely,

signed: F. Galic

2177a

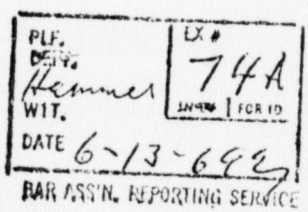
DEFENDANT'S EXHIBIT 54.
AGRICULTURAL PROPOSAL

FOR THE

UNITED KINGDOM OF LIBYA

(FERTILIZER & MUFFA OASIS PROJECT)

July 20, 1965



Prepared by:

OCCIDENTAL PETROLEUM CORPORATION

10889 Wilshire Boulevard

Los Angeles, California

DEFENDANT'S EXHIBIT 54

TABLE OF CONTENTS

DEFENDANT'S EXHIBIT 54

TABLE OF CONTENTS

Title	Page
INTRODUCTION	
Importance of Agriculture and Fertilizer Industry to the Expanding Libyan Economy	1
Qualifications of Occidental Petroleum Corporation	4
PROPOSAL	
A. FERTILIZER PROJECT	9
1. Plant for Manufacture of Anhydrous Ammonia	9
2. Construction of Complex Fertilizer Facility	10
3. Plant for Manufacture of Animal Feed Additives, Food Additives and Chemical Phosphates	10
4. Cryogenics Plant	11
5. Pesticide Formulating Plant	11
6. Agricultural Research Center	12
6.1 Fertilizer Section	13
6.2 Pesticide Section	14
6.3 Agricultural Products Upgrading Section	14
6.4 Kufra Section	15
6.5 Mineral Processing Section	15
B. REFRIGERATED EXPRESS PROJECT	17
1. Domestic Express Program	18
2. Libyan Agricultural Export Enterprise	18

DEFENDANT'S EXHIBIT 54

TABLE OF CONTENTS (Continued)

Title	Page
C. KUFRA OASIS PROJECT	20
1. Survey Stage	20
1.1 Hydrological Survey	20
1.2 Soil Profiles	21
1.3 Geological, ecological and climatological survey	22
1.4 Entomological and phytopathological survey	22
2. Agricultural Experiment Station	22
2.1 Water Management System	23
2.2 Environmental Management System	23
2.3 Crop System	24
2.4 Fertilizers and Pesticides	26
2.5 Cultivation System	26
2.6 Animal Husbandry System	27
2.7 Operating Systems	28
2.8 Training and Extension Services	28
PROFIT POTENTIAL TO LIBYA	30- 31

APPENDIX

1964 Annual Report of Occidental

BEST Cryogenics Program

Dr. Hammer's Shadow Isle Dissolution
"Sale of the Century"

DEFENDANT'S EXHIBIT 54

INTRODUCTION

DEFENDANT'S EXHIBIT 54

INTRODUCTION

IMPORTANCE OF AGRICULTURE AND FERTILIZER INDUSTRY TO THE EXPANDING LIBYAN ECONOMY

The agricultural segment of the Libyan economy represents over 90% of the country's estimated 1.4 million population. The agrarian section, therefore, is Libya's most important national and political problem and the agricultural economy will play the key role in efforts of the Kingdom's Government to solve the nomadic migration problem by encouraging development of settled farming.

For improved production in the agricultural industry, chemical fertilizers and pesticides will play a vital role. To illustrate the importance of fertilizers, Tripolitania is currently using three to four thousand tons per year of NPK primary plant nutrients which could be increased to twenty thousand tons per year with the proper water and soil management programs, or to an estimated 50 to 100 thousand tons per year of primary plant nutrients within the next 5 to 7 years. With a subsidized program for forest and pasture fertilization which would serve as the pillars of a rapid afforestation and ranch management program, the fertilizer tonnage used in Libya could easily reach the level of 500,000 tons per year by 1970-72.

DEFENDANT'S EXHIBIT 54

With an increasing agricultural output, the crops produced will have to leave the collection and distribution centers in the Kingdom and abroad without essential loss in quality of the merchandise in order to realize maximum profits for the Libyan growers. This will require a refrigerated express program similar to the one pursued by Occidental in its cryogenic project in California. With such a program, the efforts of the Libyan farmer could be richly rewarded by selling his produce as a premium quality product in premium markets.

Breeding of improved beef cattle species and sheep, the provision of proper fodder and availability of animal food additives and pesticides would enable Libya to become a prime exporter of fresh meat, cattle and sheep.

Development of technical know-how in the area of upgrading primary agricultural products should create a very profitable export industry in Libya for such products as vegetable oils, citrus juices and date syrups.

Libya has a number of sizeable mineral resources, particularly gypsum, limestone, soda ash and low grade iron ore. With appropriate technical assistance in development of new processes for utilization of these minerals, Libya could have a highly profitable chemical and metallurgical industry including a modern steel center.

DEFENDANT'S EXHIBIT 54

The Kufra Oasis in southern Cyrenaica has adequate water supply and is climatically suitable to be developed into a prime agricultural area which could export green vegetables, fruits, forage crops, vegetable oils and fresh beef to various parts of the Kingdom and to Europe.

Whereas his Majesty's Government has made considerable progress in various agricultural areas, we believe that Occidental's assistance and proven abilities would accelerate the agricultural progress in the Kingdom toward the goal of reaching a stage for Libya where it would become a "California of Europe and the Middle East."

DEFENDANT'S EXHIBIT 54

QUALIFICATIONS OF OCCIDENTAL PETROLEUM CORPORATION

Occidental has a well established business and an outstanding success record not only in the field of oil and gas explorations and production, but also in other industrial areas--such as manufacturing and marketing of sulphur, domestic and international fertilizers, and in research, engineering and development, as illustrated in the attached 1964 Annual Report of the Company. To highlight the qualifications of Occidental in the agricultural and fertilizer field, we would like to review briefly the activities and achievements of three wholly owned subsidiaries.

International Ore and Fertilizer Corporation of New York (INTERORE), the largest independent international fertilizer marketer, had a sales volume of over 80 million dollars in 1964. INTERORE maintains operations in 60 countries and has branch offices in 27 countries, among them: Argentina, Australia, Brazil, Canada, Chile, Costa Rica, England, France, Germany, Greece, Hawaii, Hong Kong, India, Italy, Japan, Korea, Lebanon, Mexico, Malaysia, Nicaragua, Pakistan, the Philippines, South Africa, Spain, Taiwan, Turkey, Uruguay, and Venezuela. The activities of INTERORE encompass the marketing, distribution and production of fertilizer raw materials and finished fertilizer products. While carrying out a very successful task, INTERORE is involved in a broad range of financing operations including the generation of hard currency funds for

underdeveloped countries, together with planning and managing regional industrial and agricultural development programs to achieve this objective. As an example, INTERORE is supplying over 50% of India's requirements of nitrogenous fertilizers and to be able to do this, INTERORE pioneered with the Indian Government an expansion of the Indian sugar industries, and on behalf of India has undertaken to barter the sugar for hard currency necessary for payment for the nitrogenous fertilizers. This bartering activity has been a key strength of INTERORE and the example of sugar can be extended to many items produced in underdeveloped countries, such as jute, spices, condiments, frozen fish, and others which INTERORE through barter arrangements has successfully turned into hard currency for various national governments.

BEST Fertilizer Company of California and Texas (BEST) is one of the largest fertilizer companies in the western United States. The success of BEST is based on building an outstanding agronomic and technical marketing force which supplies the farmers and farm cooperatives with the type of fertilizer materials and agricultural services which lead to most profitable farm operations. Thorough knowledge of soil management, including analysis of soils and ecologic studies, the evaluation of irrigation and drainage practices, in addition to a complete pesticide service are part of the everyday activity at BEST. The agricultural and technical manufacturing projects of BEST are concentrated in those parts of the United States

where a very profitable agriculture thrives on desert soils and skilled irrigation-drainage programs. Furthermore, the agricultural area served by BEST produces very similar crops to those presently grown in Libya or to those having good future potential for exportable cash crops. BEST has recently instituted a revolutionary refrigerated express program (see photographs in the Appendix) where the various crops are being put to sleep in a carefully controlled nitrogen atmosphere. The moving vans arrive to the market with 1% or less spoilage of the produce. Large cargoes can be collected at assembly points over a period of up to 21 days without any spoilage, and the merchandise can be delivered for consumer distribution as a fresh produce. The application of such a refrigerated express program, together with the availability of the inert gases necessary for putting the crops asleep which could be produced in a cryogenics plant, would serve as keys to conversion of Libya to a "California of Europe and the Middle East."

Dr. Armand Hammer, President of Occidental Petroleum Corporation, was one of the pioneers in the United States beef cattle improvement program. As an illustration, we are attaching a brochure which describes the dissolution of Dr. Hammer's famous Aberdeen Angus cattle herd called Shadow Isle which was hailed in America as the "Sale of the Century." The know-how of Dr. Hammer and his associates could be most valuable

DEFENDANT'S EXHIBIT 54

to the initiation of a Libyan cattle breeding program which would lead to the production of prime beef cattle and fresh beef for domestic consumption and exports in conjunction with a refrigerated express program.

Occidental's record shows outstanding achievements in the area of difficult industrial projects where other companies have negotiated or hesitated to go into action for years. In the United States, Occidental acquired mining land in northern Florida, has opened up a new large phosphate field, and is constructing a mine with the capacity of producing 2 million tons of phosphate rock per year which in turn will be converted in a 30 million dollar facility to phosphatic fertilizer chemicals. Occidental has many industrial projects under way in various parts of the world including Venezuela, Nicaragua, Singapore and India. In the Arab World, in a joint operation with the Saudi Government, Occidental is now undertaking the construction of a large ammonia plant and production facilities for nitrogenous fertilizers to be located at Dammam, Saudi Arabia. In addition, Occidental is contemplating the construction of a large superphosphoric acid and phosphate fertilizer chemicals facility in joint operation with the Office Cherifien des Phosphates, the Moroccan Government's phosphate monopoly. Occidental has just concluded a contract with the Tunisian Government for the mining of 200 million tons of phosphate rock, with the Tunisian Government owning 45% of the facilities and Occidental 55%, with each of the

parties putting up their respective share of the equity required. A superphosphoric acid chemical complex is contemplated in the future at the mine site to convert the rock to fertilizer. Planning, development and management of many of the above projects is done with the assistance of the Occidental Research and Engineering Corporation (ORE), a development company with outstanding specialists in the field of engineering, production, mining, fertilizer marketing, transportation, and economic development. ORE has developed the production methods the superphosphoric acid and the revolutionary, concentrated complex fertilizers derived from superphosphoric acid. These products are particularly promising for the irrigated agriculture of desert soils since they allow control of product solubility and degree of soil fixation. In addition, superphosphoric acid lends itself to the production of animal feed and food additives and detergent phosphates. These products could be readily manufactured in Libya from imported superphosphoric acid and domestic limestone and soda ash. ORE has know-how in the area of water management, particularly controlled irrigation and seepage, and in the area of pesticides and crop economics. In the field of regional and industrial agricultural development, ORE has carried out extensive feasibility studies which earned the praise of various governments in Africa, Latin America, Saudi Arabia, India and the USSR.

DEFENDANT'S EXHIBIT 54

PROPOSAL

PROPOSAL DEFENDANT'S EXHIBIT 54

A. FERTILIZER PROJECT

As a consideration for granting of oil concessions by the Libyan Government to Occidental Petroleum Corporation, we are proposing to undertake the following projects as 50/50 joint enterprises with the Kingdom's Government. Our proposal is subject to a joint feasibility study which we will undertake at our own cost starting not later than 30 days after receiving the oil concessions. We will deliver this study for the evaluation of the Libyan Government within six months after starting. If the project is deemed feasible by both parties it is binding upon each. If one party disagrees, the matter must be brought to international arbitration before the Chamber of Commerce in Lausanne, Switzerland. The proposed joint projects to be evaluated in the fertilizer feasibility study will encompass:

1) Plant for the Manufacture of Anhydrous Ammonia and or Urea with plant capacity to begin with of approximately 600 tons per day, with future expansion to 1200 tons per day and with free natural gas from the Government of Libya representing an investment for the battery limits of up to 30 million dollars. The investment will be shared 50/50 between Occidental and the Government of Libya while all offsite facilities for the plant will be supplied by the Government of Libya at no cost to the project. The investment may consist entirely of equity, or equity and loan

funds depending upon the results of the feasibility study. Feasibility study will define plant site and technology selection, capital cost, return on investment and payout schedules, together with programming of the ancillary fertilizer projects outlined in A-2 to A-6 hereunder.

2) Construction of Complex Fertilizer Facility for the domestic consumption and for the export trade will include plants for manufacture of urea, ammonium sulphate (utilizing local gypsum) and ammonium polyphosphate to be produced from Libyan anhydrous ammonia and superphosphoric acid imported from Morocco, Tunisia, or if possible, later produced from local mineral resources. Occidental will utilize all the proprietary know-how it has accumulated in these fields to construct facilities most advanced in both the design and the product composition. The capital investment for this plant will be shared 50/50 between Occidental and the Government of Libya and will be provided for from the $.:0 million fund mentioned under A-1, or as otherwise determined as a result of future negotiations and the outcome of the feasibility study.

3) Plant for the Manufacture of Animal Feed Additives, Food Additives, and Chemical Phosphates. The feasibility study will evaluate capital requirements, profitability and the

schedule for a plant to manufacture these products, based on imported superphosphoric acid and Libyan limestone and soda ash. Whereas the calcium phosphate and calcium phosphate-urea feed additives would serve to greatly improve the cattle and sheep production of Libya, there is a sizeable export market in Europe for trisodium phosphate food additives and trisodium polyphosphate detergent constituents, both of which could be readily manufactured in Libya.

4) Cryogenics Plant

This will include the production of liquid nitrogen for the refrigerated express program outlined under "B" and the production of rare gases such as neon, argon, and crypton which occur as by-products of the ammonia manufacture and which are now in shortage in the export market serving the metallurgical process industries.

5) Pesticide Formulating Plant

The feasibility study should evaluate capital requirements and profitability of a plant which will formulate pesticides for the Libyan agriculture and for export of pesticide formulations. A comprehensive pesticide program is an absolute

necessity in Libya for the success of a profitable agricultural economy. With the increased usage of these pesticides, the project should foresee the manufacture of primary toxicants based on refinery derivatives of Libyan crude oil as starting materials.

6) Agricultural Chemical Research Center

The feasibility study will outline the investment necessary for establishing a chemical research center. We are proposing that the operating cost of the fertilizer and pesticide research sections (A-6.1 and A-6.2) should be paid for by the Fertilizer Project. The training and extension services to the Libyan agriculture, agricultural product upgrading, mineral processing and the Kufra section (A-6.3 to A-6.5) should be paid for from a percentage fund set aside from future proceeds of a successful oil production on concessions granted by the Government of Libya to Occidental. The immediate establishment of a chemical research center is a must for starting a successful fertilizer and pesticide program in Libya, and to enable the plants mentioned under A-1 to A-5 to supply properly formulated porducts, and to provide adequate technical assistance to the consuming agricultural

DEFENDANT'S EXHIBIT 54

industries in Libya. The establishment of a Kufra section and of the other projects mentioned should be self-evident from discussion of activities at the Research Center which follows--

6.1 Fertilizer Section will enable formulation of fertilizers to realize an upgrading of the country's agriculture:

6.1.1 Fertilizer analysis and standards.

6.1.2 Fertilizer formulation and testing.

6.1.3 Soil analysis and testing.

6.1.4 New fertilizers for irrigated crops and dry crops which will result in higher per acre yields on existing crops.

6.1.5 New fertilizers for Libya's pastures which will result in upgraded animals and better profits from existing herds.

6.1.6 Fertilizers for forest fertilization in Libya which will result in faster reforestation and afforestation programs.

6.1.7 Fertilizers with micronutrients for improved garden crops in Libya.

DEFENDANT'S EXHIBIT 54

6.1.8 Greenhouse for pot tests, together with a staff of agronomists who will provide training and extension services and also serve as liason with various experiment stations of the Libyan Government.

6.2 Pesticide Section will include analytical and formulating facilities together with a staff of entomologists for securing a successful pesticide program, particularly for products manufactured by the joint enterprise (A-5). Addition of a pest house for evaluation of insecticides, herbicides, fungicides, and nematocides should be provided. This will be necessary after reaching a certain sales volume, in order to supply technical services to customers and to the Kufra Project.

6.3 Agricultural Products Upgrading Section will have analytical and pilor plant facilities for the following projects:

6.3.1 Seed oil extraction for exporting high-grade vegetable oils.

6.3.2 Improved concentration process for production of high-quality Libyan citrus juices for domestic consumption and export.

DEFENDANT'S EXHIBIT 54

6.3.3 Processing of dates to syrups and pastes suitable for export.

6.4 Kufra Section will provide the staff and facilities for launching the Kufra Oasis Project discussed under "C" below. This section will carry out the Survey Stage (C-1) for inception of the project involving hydrological surveys, soil profiles, geological, ecological, climatological, entomological and phytopathological surveys. The Kufra Section will work out the requirements for irrigation-drainage systems, crops and animal husbandry for the Kufra Oasis Project in addition to providing for all other technical services.

6.5 Mineral Processing Section

This section will be added at a later date and will study the utilization of Libya's mineral resources, in particularly limestone, soda ash, gypsum and low-grade iron ore. The limestone could be converted with supe :- phosphoric acid to feed grade phosphate. Soda ash could be converted with superphosphoric acid to food grade trisodium phosphate and to detergent grade trisodium polyphosphate. With availability of low-cost gas, it would be possible to convert the gypsum to

either ammonium sulphate or sulphuric acid or to elemental sulphur. The sulphuric acid could be either used by the local industries, or could be converted to ammonium sulphate fertilizer, or could be used to upgrade presently marginal phosphate deposits to phosphoric acid in Libya or abroad. On the other hand, the elemental sulphur could be exported to world markets where it is in short supply today. The availability of low-cost gas would allow the upgrading of the low-grade iron ore to high-grade steel. It is easy to see that such an activity based on developing improved technology to fit the mineral resources of Libya and utilizing low-cost fuel in the Kingdom could lead to a rapid industrialization of the country and to a very profitable export of various chemical products and high-grade steel.

DEFENDANT'S EXHIBIT 54

B. REFRIGERATED EXPRESS PROJECT

The fertilizer feasibility study will be expanded at a later date, to be agreed upon during negotiations between Occidental and the Libyan government, to evaluate the viability of a refrigerated express program for Libya. In a refrigerated express program, in the State of California, tractor-driven large detachable vans are used to pick up the various perishable crops at certain collection points. The atmosphere within the vans is carefully controlled even during a van speed of 70 miles per hour so as to provide the proper balance of nitrogen and oxygen and to keep the crops sleeping at the low temperature of the van. Application of such a program to Libya's agricultural economy could mean a tremendous boost to the income of the Libyan farmer in Tripolitania, or if proper roads are available, in the Fezzan and at some future date in the Kufra Oasis, by making it possible to pick up their crop at certain collection points, and to keep the crops fresh without any loss in quality for up to assembly periods of 21 days, then deliver the still fresh produce to premium markets, and so assure highest profits to the Libyan growers. In addition to the liquid nitrogen produced by the cryogenics plants under the Fertilizer Project A-4, Project B would involve a fleet of tractors and detachable vans and the organization of collection and distribution points. We visualize the program to be divided essentially into two parts:

DEFENDANT'S EXHIBIT 54

1) Domestic Express Program which will organize collection points and utilize the refrigerated vans to carry perishable products, such as vegetables, fruits, or meat to centralized canning, or other processing plants, and cool storage houses for distribution of these products to consumers within the Kingdom.

2) Libyan Agricultural Export Enterprise will collect similarly to B-1 the production from various collection points in Libya. The vans will then be lifted by crane at dock-side aboard ships and at the point of reception, in Europe or in the Middle East, they will again be lifted by crane from the ship, attached to a tractor and driven to the warehouses and distribution points. In this manner, the agricultural products of Libya would easily become the dominant premium agricultural products not only in Italy but also France, Germany and the Scandinavian countries. It is through such a broad program that the progress of Libyan agriculture could achieve the stage of Libya becoming the "California of Europe and the Middle East." In a barter deal through such a refrigerated express program the return cargoes to Libya might include milk, cheese, and meat products at much lower prices than otherwise possible.

DEFENDANT'S EXHIBIT 54

The Refrigerated Express Project has the advantage of eliminating the large capital investment required for precoolers for perishable products. Losses are cut to a minimum of 1% of the shipment and the premium quality produce is made available to premium markets. It is easy to visualize the improvement in the rural agricultural economies of Libya, together with the earning of a sizable foreign exchange for the Kingdom.

C. KUFRA OASIS PROJECT DEFENDANT'S EXHIBIT 54

Occidental proposes that up to 5% of net operating profits from petroleum operations before taxes be set aside by Occidental and the Libyan Government and invested in the agricultural development of the Kufra Oasis and in the subsidization of an agricultural project in Kufra which would convert the oasis region into a prime agricultural area similar to the Imperial Valley of California. The percentage of the net profits to be invested in the Kufra Oasis Project from the operating revenue of the oil company will be determined during negotiations between the Libyan Government and Occidental. The Kufra Oasis Project by necessity will have to proceed in several progressive steps as outlined below and subject to a feasibility study to be conducted by Occidental after signing the agreement on oil concessions.

1) Survey Stage

A team of experts will carry out the surveys in the Oasis and the adjacent area which might be assigned by the Government of Libya to the Project.

1.1 Hydrological Survey to determine availability of fresh water and degree of salinity and to lay out a

complete irrigation-drainage and recovery pattern corresponding to most economical water management and to possible elimination of cumulative salinity in the irrigated fields. This project will take into consideration the lining of irrigation canals with asphalt or the mulches for seepage control. It will evaluate the possibility of using agricultural mulches for control of temperature and moisture conditions with certain vegetable and fruit crops (melons, cantaloupes, cucumbers) as now practiced in Arizona, California and Texas. In addition, recommendations would be made for those crops that under similar climatological conditions have shown highest yields in an irrigated agriculture, and which would be adaptable to the socio-economic structure of Cyrenaica. Recommendations will keep in mind the possibility of exporting the crops from the oasis, initially by air and later by truck over land.

1.2 Soil Profiles would be determined to obtain classification as to types of soil and their physical and chemical structures to enable selection of crops and fertilizers.

DEFENDANT'S EXHIBIT 54

1.3 Geological, Ecological and Climatological Survey to determine the nature of soils, temperature, moisture, topographic and drainage conditions.

1.4 Entomological and Phytopathological Survey to determine the insects, weeds, and other pests which will be encountered in Kufra. As to present problems with scorpions, poisonous desert vipers and desert rats, we believe that rototilling a furrow of about 20 inches combined with parathion application (two to three pounds per acre) will solve the initial problem. As experienced in the United States, extensive irrigation drives out many of the desert pests mentioned above since they don't like the change in environment. We believe that a pesticide program consisting of applications of DDT-hextachlor-malathion will keep spot outbreaks and recurrences under control.

2) Agricultural Experiment Station will be established subject to the timing and conditions set forth in the feasibility study. The Station will be supported by the Agricultural Chemical Research Center located at the site of the Fertilizer Project. The following program is visualized at the Experiment Station.

DEFENDANT'S EXHIBIT 54

2.1 Water Management System

This will establish a complete system for economical production of irrigation water, a distribution and a drainage system together with water recovery methods. The program may possibly have to try out various mulching and canal lining systems which have proven valuable in the deserts of the United States, in order to find the optimum system for transporting water and eliminating seepage in Kufra. It is obvious that the hydrological survey and other work done under C-1 will be essential, since drainage and elimination of salinity are the two vital points, together with availability of water, in keeping an oasis or any desert territory in agricultural production over a prolonged period. In addition to evaluating irrigation methods this phase of the study will have to come up with tillage practices and soil bed preparation methods for which farmers will have to be trained and the machinery ordered and maintained in operation.

2.2 Environmental Management System

To keep the projected area of the Oasis productive, the Station will have to come up with valid recommendations on afforestation, particularly the planting

of wind breaks (probably accacia horrida or other species), dune stabilization and possibly a future land reclamation program.

2.3 Crop System will be selected to satisfy the needs of the population in the Oasis and to give consideration to those economic factors, which will influence distribution of these crops to the rest of Libya and to the export markets. We are visualizing the planting of winter vegetables such as new potatoes, carrots, onions, tomatoes, lettuce, cabbage, asparagus and some green legumes for export. Further, we are foreseeing the planting of oil seeds, particularly castor and linseed, and the conversion of these seeds to refined vegetable oil in locally established oil pressing facilities, the establishment of citrus orchards and possibly canning facilities for exporting canned juices, fruits, and vegetables. We believe that forage crops will play a very important role in the establishment of a local cattle industry. They could also be exported to other parts of Libya where they will lead to improved livestock breeding and will relieve the problem now existing in over-grazing

marginal lands, thereby contributing to a regulated range management for the pastoral industry in Libya. As to forage crops, we believe that alfalfa, oats, and barley, sudan grass and hybrid buffalo grass should be considered. Subject to the evaluation of the feasibility study we are projecting large plots of land being utilized for the production of cotton and winter wheat, since the increasing population of the world will create excellent opportunities for food grain and textile raw materials.

The Experiment Station will carry out studies on shade growing, utilizing the experience in the United States where shade crops are planted in between productive crops to affect decreased evaporation and to promote increased utilization of the atmospheric moisture for working crops. The Experiment Station will determine the cropping patterns after a better understanding of socio-economic conditions, and after achieving a stabilized agricultural environment and pest control.

DEFENDANT'S EXHIBIT 54

2.4 Fertilizer - Pesticide System

The Experiment Station will select in cooperation with the Agricultural Chemical Research Center the fertilizers and pesticides most suited for the irrigated crops projected for production in the Oasis. In this study, controlled solubility of fertilizers, the degree of soil fixation, and availability to the plants, residual effect of pesticid and toxicity tolerances will be important factors. In addition, serious consideration will have to be given to pollution of ground water and irrigation water resources which could result in considerable damage. For example, chloride containing fertilizers, such as those containing muriate of potash, will have to be carefully avoided around date palms. Nitrate containing fertilizers should be carefully checked so that water contamination by nitrite should be eliminated, otherwise permanent damages might be inflicted on both human and animal population.

2.5 Cultivation System

Initial agricultural activity of the Experiment Station will involve test plots of the various crops, which will then move into experimental tracts (10 to 40 acres)

after successful demonstrations. This will be followed by selecting the crop system for the projected farming areas in the oasis after reviewing of crop economics and marketability.

2.6 Animal Husbandry System

The Experiment Station will select the cattle which would provide the most profitable business for the owner based on export of cattle and export of locally slaughtered and cooled beef. We believe that Angus cross-breeds, particularly a Herferd Angus-Brahma, or Sharolais and its crossbreed with Brahma, would be suitable for the project. On the other hand, if pest control is successful in minimizing the problem of ticks and the ricketsias they carry, cross breeds of the Aberdeen Angus and Brahma cattle might be suitable. Since cattle and beef represent high priced premium products this industry will be less dependent on the availability of surface roads than is the case with low cost crops. In the United States, cattle is being flown in cargo planes from Texas and Florida to markets, and the same is true of cooled beef.

DEFENDANT'S EXHIBIT 54

The Experiment Station will carry out studies for improvement of the local Barbarry sheep or make recommendations for other preferred breeds.

2.7 Operating Systems

Modern mechanized agricultural systems adaptable to the region will be recommended by the Experiment Station to encompass combined seeding, fertilizer, and spray systems, together with tillage machinery and harvesting equipment. Further, the Experiment Station will recommend the type of storage facilities necessary in the area of the Kufra Oasis after it has been able to establish a stabilized environment and pest control.

A key function of the station will be to provide a centrally directed agricultural industrialization project. For the initial period thi ; will involve proper subsidization of the local farmers to provide for training, mechanized equipment, assistance with extended credit systems and marketing facilities.

2.8 Training and Extension Services

Services will be provided for training and extension to farmers in other areas of Libya and to other

DEFENDANT'S EXHIBIT 54

government experiment stations in the country. The existence of a modern farm system and of a cattle ranch with standards similar to the famous Shadow Isle Ranch in New Jersey, formerly owned by Dr. Armand Hammer, President of Occidental Petroleum Corporation, will not only lead to a very profitable agricultural economy in Kufra but also serve to show others in Libya to follow similar example.

DEFENDANT'S EXHIBIT 54

PROFIT POTENTIAL TO LIBYA

DEFENDANT'S EXHIBIT 54

PROFIT POTENTIAL TO LIBYA

1) Profits from Sales on Fertilizers and Industrial Chemicals. These would include anhydrous ammonia, urea, ammonium sulphate, ammonium and potassium polyphosphates, animal feed and food additives, detergent phosphates, pesticides and cryogenics.

2) Improved Agricultural Production through intensive cultivation, fertilization and pest control, leading to self sufficiency in food supply by providing high quality domestic merchandise at lower cost. The Refrigerated Express Program should play a key role in the domestic as well as the export program. This will help minimize food imports and provide a sizeable foreign exchange balance.

3) Export of New and More Valuable Cash Crops, Cattle, Fresh Beef and Upgraded Agricultural Products (vegetable oils, high-quality citrus juices and date syrups).

4) Increased Agricultural Output through a successful agricultural industry in the Kufra Oasis.

DEFENDANT'S EXHIBIT 54

5) Utilization of Marginal Mineral Resources

This would comprise production of phosphate chemicals from Libyan limestone and soda ash with imported superphosphoric acid, the manufacture of sulphuric acid, ammonium sulphate and elemental sulphur from Libyan gas and gypsum, and the conversion of low-grade iron ore into high-grade steel.

6) Improvement in the Skills of Libya's Agricultural Population

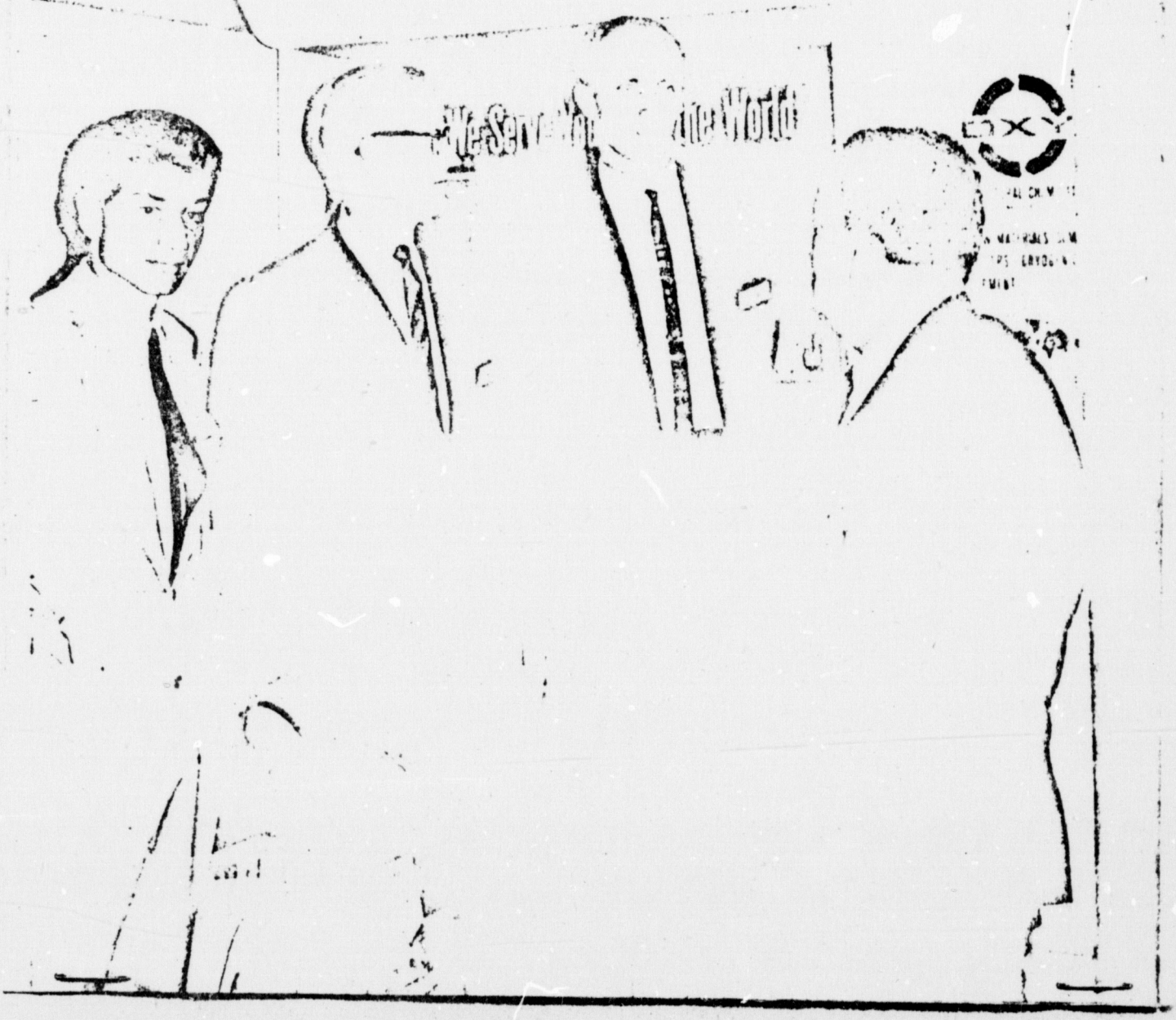
by providing a subsidized agricultural region in the Kufra Oasis with facilities for training and extension services at the Experiment Station of the Kufra Project and the Agricultural Chemical Research Center of the Fertilizer Project.

DEFENDANT'S EXHIBIT 60.

TAL PETROLEUM CORPORATIO

OCCIDENTAL PETROLEUM CORPORATIO

LOS ANGELES CALIFORNIA



DEFENDANT'S EXHIBIT 60

Tripoli International Trade Fair – Feb/Mar '66

ODC Booth

Defendant's Exhibit

DEFENDANT'S
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
67 CIV 4011
D-60

DEFENDANT'S EXHIBIT 61.

TRANSLATION

AGREEMENT

between

Mr. de ROVIN and Mr.GALIC.

Referring to the contract signed with OCCIDENTAL PETROLEUM for concession in Libya, the 10% (ten) participation Mr. de ROVIN will receive from Mr. TAHER OGBI or from OGBI BROTHERS, will have to be shared at the rate of 50% between Mr. de ROVIN and Mr. GALIC, this applies also for the $ 200.000 (two hundred thousand dollars) amount which OCCIDENTAL PETROLEUM will pay to Mr. de ROVIN.

The 4% (four) carried interest on PETROLEUM, Mr. de ROVIN holds the totality for himself and Mr. GALIC holds his percentage for himself.

signature
de ROVIN

F. GALIC

22 September 1964

2218a

DEFENDANT'S EXHIBIT 68. D-68

Paris, April 5, 1965

Dear Friend,

I just received your letter. I must confess that I am not really in a position to understand the situation about the concession, because Khogia tells me that his brother-in-law has remained and that he will remain and that everything will proceed well.

You tell me that Ogbi is in good relations with the new president, de facto, my opinion is that I don't know what to tell Dr. Hammer now. I am supposed to see him tomorrow or the day after tomorrow.

I told you in my last letter that he became very cool because Benahoum gave him your curriculum vitae. I must see with him, I don't know what to advise now because, if Ogbi is in good relations with the new Prime Minister, who will have more influence, he or Khogia's brother-in-law?

Telephone to Lucia and cable me immediately as there is not much time to choose our route. According to what Khogia told me, the chances are almost nil with Ogbi. Did he speak the truth or did he say that to reinforce his position?

I shall try to go to Tripoli for two days, but really I don't know when, as Dr. Hammer is coming here within 2 days, Mr. Allen also, I shall try to have Khogia come to Zuerich or to Paris to discuss again.

Regards

(Galic)

DEFENDANT'S EXHIBIT 71.

TRANSLATION FROM FRENCH

F. GALIC
41 Rue Spontini
PARIS 16ème
France

Paris, January 15, 1965

My dear Friend:

I just received your two cables. It is impossible to send you the papers, but they will be brought by the geologist who is arriving in Tripoli.

Since Occidental Petroleum is already on record in Libya, the recording of these papers will be a formality which can be accomplished in one day and will not cause you much trouble.

At the same time I advise you that in order not to create enemies in Tripoli between Mr. SLIM and Mr. OGBY, I will be accompanied by Mr. FROTTIER who will act for Occidental Petroleum with you and your friend whom you have chosen, since you are the best judge as to how to obtain the best results.

As soon as I will cable you the date of my arrival with Mr. FROTTIER, please take a car and come to the airport. Mr. FROTTIER will go with you while I will go with Mr. OGBY or Mr. SLIM. In this way we will handle the transaction in several places, the principal thing being that we obtain a good result.

The conditions are those that I indicated to you during my last trip to Tripoli. What will be given to me and to Mr. FROTTIER according to the original contract with Occidental Petroleum will be divided one-half between Mr. FROTTIER and myself and one-half between you and your friend.

DEFENDANT'S EXHIBIT 71

Mr. ASSOUS has tried to see me but I have refused to meet him. He accused me of having been influenced by you and told me that he wanted to explain to me certain things. Nevertheless, I refused any explanation since I have enough with my own problems and I do not have the time to deal with his problems.

I hope that in the meantime I will receive a letter from you more explicit than the two cables so that I can form a clear opinion on the certainty of your success.

With all my friendly greetings.

signed: F. Galic

F. GALIC

DEFENDANT'S EXHIBIT 78.

TRANSLATION FROM FRENCH

March 18, 1966

Dear Mr. de Rovin:

I just received your letter but I am not interested to know where Mr. Hammer was. I would be interested to know whether Khogia was with him as you have indicated, but I do not believe it! I received from my lawyer the copy addressed to Dr. Hammer, next week I will come to Rome and I will call you on the telephone and I will show it to you, after that I will go to New York and if I do not have a proper offer, I will bring a lawsuit in Tripoli and in New York and I will disclose everything! And he will learn and the others with him, that I am good but one should not take me for an imbecile.-

I believe you have a greater chance, I wish it to you, you deserve it, but believe me, this time I will not let them get away with it.

If I learn anything new I will let you know when I come to Rome.

Greetings

F.G.

P. S. I am sending you the article which was published yesterday in the "Expres"

DEFENDANT'S EXHIBIT 80.

TRANSLATION FROM FRENCH

Ferdinand Galic
Paris 16e

February 26, 1965

Mr. de ROVIN
Libya Palace Hotel
Tripoli (Libya)

My dear Friend:

I have not gone to LOS ANGELES as foreseen for the engineer VAUNGH asked me to go there to induce Dr. HAMMER to make the deal with another company since he wants to do everything through Occidental.

But, as you have observed, this is not possible, otherwise ~~xxxxxx~~ it will be a real mess between two persons.

I talked yesterday on the telephone with Dr. HAMMER and he does not want to understand that he should do it through another company. I hope that he will nevertheless accept it within two or three days. For the time being he refuses to see the difficulties and the embarrassment which would result if one acts in this manner.

In any event, he no longer wants Mr. BRENNER to go to Libya. BRENNER must deliver to me today the letter of agreement which he made with O ... I will not fail to communicate it to you.

I sent you a telegram this night. It is possible that our friend goes with me to NEW YORK or LOS ANGELES, but this is entirely an initiative on my part for it is quite possible that I will straighten the matter on the telephone with Dr. HAMMER.

DEFENDANT'S EXHIBIT 80

In any event, if I make an arrangement with Dr. HAMMER in a manner agreeable to us, it will be necessary for you and your friend and myself to meet in ROME next week so as to straighten up two or three transactions which might be very profitable for us.

I hope that you have received the medicine. I forgot the Hermès bandage but I will send it to you by separate mail.

As Dr. HAMMER told me on the telephone, he has no exclusive contract with OGBI, but BRENNER and the engineer have signed a document of agency with a salary of $500.00 a month.

HAMMER is furious and because of that he does not want BRENNER to go again to TRIPOLI nor to handle this transaction.

It seems that the opening of bids for the concessions will be made only after the elections. I sent you a cable with respect thereto. Could you confirm that that is so? Dr. HAMMER received that information through the President of a company in Libya, but I prefer to have a confirmation by our friend who is in a better position to know whether it is true or not.

signed: F. Galic

DEFENDANT'S EXHIBIT 81.

TRANSLATION FROM FRENCH

Malta, June 23, 1965

My dear,

I just received your letter from the "Claridge" and must confess I don't quite understand all these contradictions.

With respect to the Occidental business, I know that they pursue their application through Ogbi, that all the documents have been filed on time and that presently Mr. Blom is in Tripoli on their behalf. It is undeniable that Ogbi will succeed not through Kabatzi but through Manek, and I strongly believe he will soon become Minister in Manek's cabinet.

I considered Khogia at one time because Kabatzi personally told me once that he wanted to help his brother-in-law and in fact Khogia appeared to be effective through his family and commercial relations. He had always been friendly and sincere with me and I treated him the same way.

I had recommended him to you for another company had the case presented itself and other business too. His brother-in-law didn't want to meet you, I did my best to create friendly relations between them and you, I put you on a pedestal for this business and the only lie I told them was that you were H. Allen's"brother-in-law". - Like you said I was a general at Faisan, when I never told you such a thing, I had told you, and I maintain that it is the truth, that I had been a colonel, general manager of Vincennes, with general Dario as chief.

Ogbi has never known me as general, when you introduced me to H. Allen under this title, I felt compelled not to correct it in order not to contradict (embarrass) you and later in Tripoli to change anything of what you had said would have been prejudicial to your interests as well as to mine. My name alone has always meant something.

When I met Assous I had considerable ~~reputation~~ line of credit, the proof of which - as you know it - is the fact that the Social Security (U.R.S.A.F.) granted 10 millions to Assous only in the specific and definite case that I would guarantee his signature. Very spontaneous as I am, judging people upon impressions instead of taking information (you know as well as I do how one gets them ?..) I signed. I trusted him, he could have trusted me for 3 millions later. The documents I remitted him in guarantee were only for principle's sake. I never asked him for a guarantee for my endorsement and I rendered him such a service that he would have kissed my feet if I had wanted him to at that time.

I met Ogbi through Arab channels, I behaved with him, with Hammel, with Brenner and with all the engineers with very great dignity; they invited me but I invited them in return, and had considerable expenses, as you know. If I hadn't had these expenses it is very likely that there wouldn't be an Assous affair today.

While waiting to see what would develop and upon Khogia's request, I began the business of the houses and asked Richard Klehe who sent G.T.A. to me. Richard Klehe didn't like you: I showed you Beigbeder's telegram confirming it, I chose not to do it through you but for all that I never dreamed of leaving you out of the business, as my first reaction was to inform you and advise you that your interests would be protected, remember at the Libya Palace when you were with Mrs. Galic.

Then with what do you reproach me?.....

As to the Embassy, French law considers the divulgation of confidential information - obtained officially or unofficially - on one of its nationals to a third party and especially to foreigners, as defamation.

I am afraid, Mr. Galic, that you made a mistake of "tactics" in this business.

DEFENDANT'S EXHIBIT 81

One fact is certain, I am in Malta under my name, registered at the immigration services where I applied for renewal of our visas. This takes 10 days because they contact Interpol and our vises have been (lost end of page).

The Ogbi business will succeed, and you will also succeed with Khogia, as it is clear that Mr. Robert Gira[redacted] and Mr. Robert Fisette didn't come with you to Tripoli on June 4 for nothing. In addition you have signed agreements with Khogia in Rome.

Nor do I imagine that you would want to deprive me of a commission to which I am more than entitled.

You have also had ups and downs in your life. In any event, I have had in my life the constant benefits of immanent justice.

My commission agreements are signed by Hammer and Ogbi. Everything has been originated by me. To exclude me would be the greatest mistake on your and Mr. Hammer's part because I have learned to defend myself with respect to and against anything.

Dear Mr. Galic, I esteem you highly because you fight in business like I do despite my age. I have been condemned to death for politics and had 15 years exile. - I was acquitted. Injustice hit me but I hit very hard myself.

We were one group in this Hammer business, we should have stuck together at all costs, face it together and not try to destroy each other like concierges.

I'll tell you more, Mr. Ogbi told me the Embassy never told him anything about me, and that he learned everything from you, when you went to him to claim the $10,000?.....

I shall always remain the same towards you because I esteem you. The future will show whether I was wrong.

DEFENDANT'S EXHIBIT 81

I called the UADDAM, room 305, on the 16th at noon, as one can phone only from 9 to noon, you were out.

Best regards to Mrs. Galic and you.

de Rovin.

DEFENDANT'S EXHIBIT 82.

TRANSLATION FROM FRENCH

August 16, 1966

Mr. de ROVIN
c/o GRAHAM JAMES & ROLPH
Attorney at Law
Via di Porta Pinciana 4
Rome

Dear Mr. de ROVIN:

I opened an office in TRIPOLI, but I did not want to accept the office of KHOGGIA.

If he brings a transaction, he will receive a commission and I will not fail to advise you thereof.

I have no contact with him, nothing determined but merely casual.

I hope that you will find a solution with Dr. HAMMER for otherwise, if you intervene through the lawyers, you will obtain no result and you cannot do anything.

In any event, as far as I am concerned I will make an arrangement. I do not know which, but I want to liquidate this matter for it is extremely bad.

Give me your telephone number in ROME since after my return from DEAUVILLE around September 4/5 I will go through ROME in going to TRIPOLI.

Regards,

signed: F. Galic

DEFENDANT'S EXHIBIT 83.

TRANSLATION FROM FRENCH

May 16, 1966

Dear Mr. de Rovin:

I wrote to you before going to Tripoli and I gave you an appointment in front of the Café de Paris, but you weren't there.

Have you received the letter?

After having spoken with Lucia in Tripoli I am convinced that Ogbi has finished his business and he did not tell me with whom, that is to say with which personality.

I shall take action against Dr. Hammer after September 5th if he does not make me before that date an offer satisfactory to me.

Greetings,

signed: F. Galic

services of three (3) copies of

the within

hereby admitted this 14th day

of FEBRUARY, 1975

Phillips, Nizer, Benjamin, Krim and Ballon

Attorney for Appellee

By Neil G. Peltz